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01 September 2025

To : **ATTY. REYNALDO A. REGALADO**
Commissioner
Insurance Commission
1071 United Nations Avenue,
Ermita, Manila

Thru : **ATTY. JAN LAURENCE G. GATCHALLAN**
Officer-in-Charge
Anti-Money Laundering and Corporate Governance Division

Subject: **2024 Annual Corporate Governance Report Submission**

Dear Sir:

Greetings!

This serves as transmittal for our compliance to the CL2020_72 relative to the submission of the Annual Corporate Governance Report.

Thank you.

Sincerely,

F/SSUPT HENRY M MOJICA (Ret.)
Chairman of the Board
Fire Services Mutual Benefit Association, Inc.

INSURANCE COMMISSION
ADMINISTRATIVE DIVISION
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Name of MBA: FIRE SERVICES MUTUAL BENEFIT ASSOCIATION, INC.
(FSMBAI)

2024 ANNUAL CORPORATE GOVERNANCE REPORT OF
FIRE SERVICES MUTUAL BENEFIT ASSOCIATION, INCORPORATED (FSMBAI)

1. For the fiscal year ended December 31, 2024

2. Certificate Authority Number - 2025-27-R

3. Office Address : UNIT 418, 145 UNION SQUARE ONE CONDOMINIUM 15TH AVENUE, CUBAO QUEZON CITY

4. Principal Office Address : UNIT 418, 145 UNION SQUARE ONE CONDOMINIUM 15TH AVENUE, CUBAO QUEZON CITY 1109

5. Telephone Number : (02) 8 709-2230

6. Website : https://fsmbai.com/

	Compliant / Non-Compliant	Additional Information	Explanation
THE BOARD GOVERNANCE RESPONSIBILITIES			
Principle 1. The company should be headed by a competent, working board to foster the long-term success and sustainability of the corporation in a manner consistent with its corporate objectives and the long-term best interests of its shareholders and other stakeholders.			
Recommendation 1.1			
1. Board composed of directors with collective working knowledge, experience, or expertise that is relevant to the company's industry/sector.	**compliant**	The FSMBAI Board of Trustees are equiped with collective working knowledge, experience, and has appropriate mix of competence and expertise.	
2. Board has an appropriate mix of competence and expertise.	**compliant**		
3. Directors remain qualified for their positions individually and collectively to enable them to fulfill their roles and responsibilities and respond to the needs of the organization	**compliant**		
Recommendation 1.2			
1. Board is composed of a majority of non-executive directors.	**compliant**	The Board of Trustees of FSMBAI is consists of five (5) members who are consisted of active and retired uniformed BFP officers of the Philippines.	
Recommendation 1.3			
1. Company provides in its Board Charter or Manual on Corporate Governance a policy on the training of directors.	**compliant**	The Governance Committee provides for the board’s effectiveness and continuing development. Specific responsibilities of the Governance Committee include:	

2. Company provides in its Board Charter or Manual on Corporate Governance an orientation program for first-time directors.	**compliant**	Recommending to the board policies and processes designed to provide for effective and efficient governance, including but not limited to policies for: (a) Evaluation of the Board and the chairperson; (b) Election and re-election of the Board members; (c) Board orientation; (d) Succession planning for the Chair of the Board and other board members.	
3. Company has relevant annual continuing training for all directors	**compliant**		
Recommendation 1.4			
1. Board has a policy on board diversity	**compliant**	The FSMBAI Board of Trustees are composed of BFP officers in the active and retired status, regardless of gender and ranking, thereby promoting diversity within the organization.	
Recommendation 1.5			
1. Board is assisted in its duties by a Corporate Secretary	**compliant**	The FSMBAI has a Corporate Secretary who assists the Board during Board meetings and other relevant tasks of the Board of Trustees.	
2. Corporate Secretary is a separate individual from the Compliance Officer	**compliant**	The Corporate Secretary SFO1 LEO ANGELO B RAMOS is not the Compliance Officer.	
3. Corporate Secretary is not a member of the Board of Directors.	**compliant**	Corporate Secretary is not a member of the Board of Trustees	
4. Corporate Secretary attends training/s on corporate governance.	non-compliant		Our newly appointed Corporate Secretary is yet attends training/s on corporate governance
Recommendation 1.6			
1. Board is assisted by a Compliance Officer	**compliant**	The Compliance officers are part of the management, they are the one responsible in assisting the Board of Trustees in the compliance to the government regulations.	
2. Compliance Officer has a rank of Vice President or an equivalent position with adequate stature and authority in the corporation	**compliant**	The Compliance Officer of FSMBAI are the following: 1. Henry M. Mojica - BOT / Chairman of the Board	
3. Compliance Officer is not a member of the board	non-compliant		FSMBAI Compliance officer is part of one of the Board of Trustee since he is an elected Board and the Trustees elect their Officers and the By-laws states that the Vice President should be a Trustee and the Compliance Officer should be not lower than the Vice President, in compliance thereto, the Compliance Officer is a member of the Board.
4. Compliance Officer attends training/s on corporate governance annually.	non-compliant		Since the Association is under Conservertorship status under direct supervision of the CRL Division, the appointed Compliance Officers had so far, not yet attended a Corporate Governance seminar, moreover, the Association has not received any invitation to attend such seminar.

Principle 2. The fiduciary roles, responsibilities, and accountabilities of the Board as provided under the law, the company's articles and by-law, and other legal pronouncements and guidelines should be made known to all directors as well as to stockholders and other stakeholders			
Recommendation 2.1			
1. Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.	**compliant**	The Nomination Committee will draft a FSMBAI Board Evaluation Tool which would be use to evaluate all the Board members on their performance.	
Recommendation 2.2			
1. Board oversees the development, review, and approval of the company's business objectives and strategy.	**compliant**	The Board of Trustees reviewed and approved the Annual Plan/Business Objectives and strategy of FSMBAI prepared by the management.	
2. Board oversees and monitors the implementation of the company's business objectives and strategy to sustain the company's long-term viability and strength.	**compliant**	The Board of trustees ensures the implementation of the set business objectives through the quarterly assessment presented by the management.	
Recommendation 2.3			
1. Board is headed by a competent and qualified Chairperson.	**compliant**	The FSMBAI is currently headed by Ret. FSSupt. Henry M Mojica, Chairman of the Board, a very competent and qualified leader particularly in management aspects.	
Recommendation 2.4			
1. Board ensures and adopts an effective succession planning program for directors, key officers, and management.	**compliant**	The Association's guidelines on the the succession of positions for directors, key officers and management are stipulated in the Association's By-Laws and Operation's Manual.	
2.Board adopts a policy on the retirement of directors and key officers.	non-compliant		FSMBAI has No policy on the retirement of directors and key officers
Recommendation 2.5			
1. Board formulates and adopts a policy specifying the relationship between remuneration and performance of key officers and board members.	**compliant**	As Mutual Benefit Association and a non-stock, non-profit organization, the Board of Trustees does not have any remuneration and retirement benefits due to the nature of their service that is purely voluntary.	
2. Board aligns the remuneration of key officers and board members with the long-term interests of the company.	**compliant**	The Board discusses and decides on the remuneration and benefits of key Officers of the company.	
3. Directors do not participate in discussions or deliberations involving his/her remuneration.	**compliant**		
Recommendation 2.6			
1. Board has a formal and transparent board nomination and election policy.	**compliant**	The FSMBAI have a BOT Election Committee that gave the guidelines which states the Composition, Qualifications, Renumerations and Terms of Office, Election Process and Election Flow. This guideline goes through proper verification of the Insurance Commission prior to implementation.	

2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	**compliant**		
3. Board nomination and election policy include how the company accepts nominations from minority shareholders.	**compliant**	Nominations and Election are done through voting rights of the members.	
4. Board nomination and election policy include how the board reviews nominated candidates.	**compliant**	Nominated candidates are done through background checking of character of the candidates.	
5. Board nomination and election policy include an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.	**compliant**		
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	**compliant**		
Recommendation 2.7			
1. Board has overall responsibility in ensuring that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions	**compliant**	The AMLA Compliance Officers are designated primarily for this purpose; They ensure that the Association's funds are safe at risk and fraud.	
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions	**compliant**	FSMBAI ensures that there will be a disclosed authority to collect on membership application and duly approved as required by the Insurance Commission.	
3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile, and complexity of operations.	**compliant**		
Recommendation 2.8			
1. Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer, and Chief Audit Executive).	**compliant**	Board of Trustees General Duties & Responsibilities - to appoint and dismiss any employee of FSMBAI whether regular, probationary, casual, or contractual, fix, or adjust their salaries and all other personal movements.	
2. Board is primarily responsible for assessing the performance of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer, and Chief Audit Executive).	**compliant**	Each staff have a unique Evaluation tool which was based on their job description. The performance was assessed through qualitative and quantitative competencies.	
Recommendation 2.9			
1. Board establishes an effective performance management framework that ensures that Management, including the Chief Executive Officer performance is at par with the standards set by the Board and Senior Management.	**compliant**	The Management was mandated by the Board of Trustees to have a semestral performance evaluation report.	
2. Board establishes an effective performance management framework that ensures that personnel's performance is at par with the standards set by the Board and Senior Management.	**compliant**		

Recommendation 2.10			
1. Board oversees that an appropriate internal control system is in place.	**compliant**	FSMBAI Audit Committee drafted an internal control Charter duly approved by the Board	
2. The internal control system includes a mechanism for monitoring and managing potential conflicts of interest of the Management, members, and shareholders.	**compliant**		
3. Board approves the Internal Audit Charter	non-compliant		FSMBAI will formulate standard internal control for the transparency of all transactions, to safeguard the assets, and to protect the interest of the members.
Recommendation 2.11			
1. Board oversees that the company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess, and manage key business risks.	**compliant**	Risk Management is part of the Audit Committee responsibility. Proper Implementation and monitoring of Internal Control procedures are in-placed to mitigate the Enterprise Risk.	
2. The risk management framework guides the Board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies.	**compliant**		
Recommendation 2.12			
1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities, and accountabilities in carrying out its fiduciary duties.	non-compliant		FSMBAI will formulate the Board Charter for compliance and guidance of the Board and other concerned parties.
2. Board Charter serves as a guide to the directors in the performance of their functions.	non-compliant		Associations' Bylaws serves as guide to the directors in the performance of their functions.
3. Board Charter is publicly available and posted on the company's website	non-compliant		Associations' Bylaws serves as guide to the directors in the performance of their functions.
Principle 3: Board committees should be set up to the extent possible to support the effective Board's actions, particularly with respect to audit, risk management, related party transactions, and other key corporate governance concerns, such as nomination and remuneration. The composition, functions, and responsibilities of all committees established should be contained in a publicly available Committee Charter			
Recommendation 3.1			
1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.	**compliant**		
Recommendation 3.2			
1. Board establishes an Audit Committee to enhance its oversight capability over the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.	**compliant**		
2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman, is independent.	**compliant**		
3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing, and finance.	**compliant**		

4. The Chairman of the Audit Committee is not the Chairman of the Board or any other committee.	**compliant**		
Recommendation 3.3			
1. Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee.	**compliant**		
2. Corporate Governance Committee is composed of at least three members, the majority of whom should be independent directors.	**compliant**		
3. Chairman of the Corporate Governance Committee is an independent director.	**compliant**		
Recommendation 3.4			
1. Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness.	non-compliant		The Board is yet to compose Board Risk Oversight Committee (BROC)
2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	non-compliant		The Board is yet to compose Board Risk Oversight Committee (BROC)
3. The Chairman of the BROC is not the Chairman of the Board or any other committee.	non-compliant		The Board is yet to compose Board Risk Oversight Committee (BROC)
4. At least one member of the BROC has relevant thorough knowledge and experience in risk and risk management.	non-compliant		The Board is yet to compose Board Risk Oversight Committee (BROC)
Recommendation 3.5			
1. The Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.	non-compliant		The Board is yet to compose Related Party Transactions (RPT) Committee
2. RPT Committee is composed of at least three non-executive directors, majority of whom should be independent, including the Chairman.	non-compliant		The Board is yet to compose Related Party Transactions (RPT) Committee
Recommendation 3.6			
1. All established committees have Committee Charters stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources, and other relevant information.	non-compliant		The Board is yet to compose Committee Charters
2. Committee Charters provide standards for evaluating the performance of the Committees.	non-compliant		The Board is yet to compose Committee Charters
3. Committee Charters were fully disclosed on the company's website.	non-compliant		All Charters will be published on the website as soon as the Committee Charters has been composed by the Board
Principle 4: To show full commitment to the company, the directors should devote the time and attention necessary to properly and effectively perform their duties and responsibilities, including sufficient time to be familiar with the corporation's business.			

Recommendation 4.1			
1. The Directors attends and actively participates in all meetings of the Board, Committees and shareholders in person or through tele or videoconferencing conducted in accordance with the rules and regulations of the Commission.	**compliant**	Trustees attends all meetings and actively participate therein either personally or through zoom meetings.	
2. The director's review meeting materials for all Board and Committee meetings.	**compliant**		
3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	**compliant**		
Recommendation 4.2			
1. Non-executive directors concurrently serve as directors to a maximum of five Insurance Commission Regulated Entities (ICREs) and publicly listed companies to ensure that they have sufficient time to fully prepare for meetings, challenge Management's proposals/views, and oversee the long-term strategy of the company.	**compliant**	Member of the Board of Trustees does not have any Directorship to any Publicly Listed Companies. Moreover, the Board of Trustees are full-time Officers of FSMBAI.	
Recommendation 4.3			
1. The directors notify the company's board where he/she is an incumbent director before accepting a directorship in another company.	**compliant**	Member of the Board of Trustees does not have any Directorship to any other company.	
Principle 5: The Board should endeavor to exercise an objective and independent judgment on a corporate affairs.			
Recommendation 5.1			
1. The Board is composed of at least twenty percent (20%) independent directors	**compliant**	FSMBAI has two (2) Independent Trustees out of 5 active members of the Board.	
Recommendation 5.2			
1. The independent directors possess all the necessary qualifications and none of the disqualifications to hold the position.	**compliant**	The Independent Directors (Trustees) are all qualified in accordance with th rules and regulations on qualifications as passed by the Board of Election	
Recommendation 5.3			
1. The independent directors serve for a maximum cumulative term of nine years. As far as Insurance Companies are concerned, the foregoing term limit shall be reckoned from 02 January 2015 while the reckoning date for the Pre-Need Companies and Health Maintenance Organizations shall be from 21 September 2016.For the other covered entities, all previous terms served by existing Independent Directors prior to the effectivity of this Circular shall not be included in the application of the term limit prescribed in this item.	**compliant**	FSMBAI will strictly follow the term limit of the independent trustee of nine years.	
2. The company bars an independent director from serving in such capacity after the term limit of nine years.	**compliant**		

3. In the instance that the company retains an independent director in the same capacity after nine years, the board submits to the Insurance Commission a formal written justification and seeks shareholders approval during the annual shareholders' meeting.	**compliant**		
Recommendation 5.4			
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals	**compliant**	The Chairman of the Board and the Chief Executive Officers are distinct from each other.	
2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	**compliant**	The duties and responsibilities of the Chairman and Chief Executive Officer are stated in the By-Laws.	
Recommendation 5.5			
1. If the Chairman of the Board is not an independent director or where the roles of Chairman and CEO are being held by one person, the Board should designate a lead director among the independent directors.	**compliant**		
Recommendation 5.6			
1. Directors with a material interest in a transaction affecting the corporation should abstain from taking part in the deliberations for the same.	**compliant**	The members of the Board of Trustees do not have material interest in any transactions in compliance to the policy on related party transactions.	
Recommendation 5.6			
1. The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal audit, compliance, and risk functions, without any executive directors present to ensure that proper checks and balances are in place within the corporation.	**compliant**	The Audit Committee takes care of such meetings	
2. The meetings are chaired by the lead of the independent director.	non-compliant		Associations' meetings are chaired by the lead of the Board of Director
Principle 6: The best measure of the Board's effectiveness through an assessment process. The Board should regularly carry out evaluations to appraise its performance as a body, and assess whether it possesses the right mix of backgrounds and competencies.			
Recommendation 6.1			
1. The Board conducts an annual assessment of its performance as a whole.	**compliant**		
2. The performance of the Chairman is assessed annually by the Board	**compliant**		
3. The performance of the individual member of the Board is assessed annually by the Board.	**compliant**		
4. The performance of each committee is assessed annually by the Board.	**compliant**		
5. Every three years, the assessments are supported by an external facilitator.	**compliant**		
Recommendation 6.2			

1. Board has in place a system that provides, at the minimum, criteria, and processes to determine the performance of the Board, individual directors, and committees.	**compliant**		
2. The system allows for a feedback mechanism from the shareholders	**compliant**		
Principle 7: Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.			
Recommendation 7.1			
1. Board adopts a Code of Business Conduct and Ethics, which provides standards for professional and ethical behavior, as well as articulates acceptable and unacceptable conduct and practices in internal and external dealings of the company.	**compliant**	The Handbook for Code of Discipline was distributed to the Board of Trustees, Management, and Employees. The Code of Disipline is mandatorily discussed to all employees and Board of Trustees upon entry as part of the orientation and procedures of FSMBAI.	
2. The Code is properly disseminated to the Board, senior management, and employees.	**compliant**		
3. The Code is disclosed and made available to the public through the company website.	**compliant**		
Recommendation 7.2			
1. The Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	**compliant**		
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	**compliant**		
DISCLOSURE AND TRANSPARENCY			
Principle 8: The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.			
Recommendation 8.1			
1. The Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable, and timely report to shareholders and other stakeholders that gives a fair and complete picture of a company's financial condition, results, and business operations.	**compliant**	FSMBAI has an annual audit conducted by the IC and SEC accredited External Auditor and verification from the Insurance Commission afterwards.	
Recommendation 8.2			
1. Board fully discloses all relevant and material information on individual board members to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.	**compliant**		
2. Board fully discloses all relevant and material information on key executives to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.	**compliant**		
Recommendation 8.3			

1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same in the Annual Corporate Governance Report consistent with ASEAN Corporate Governance Scorecard (ACGS) and the Revised Corporation Code.	**compliant**	FSMBAI's members of the Board of Trustees do not receive any salary; their services to the Association are purely voluntary.	
2. Company provides a clear disclosure of its policies and procedure for setting Executive remuneration, including the level and mix of the same in the Annual Corporate Governance Report consistent with the ASEAN Corporate Governance Scorecard (ACGS) and the Revised Corporation Code.	**compliant**	The Renumeration and Nomination Committee Charter of FSMBAI had a Salary Scale/Structure that states the rules and regulations that inumerates specific salary, renumerations, including termination, retirement provisions, and other benefits for the administrative staffs	
3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	**compliant**		
Recommendation 8.4			
1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions.	**compliant**		
2. Company discloses material or significant RPTs in its Annual Company Report or Annual Corporate Governance Report, reviewed and approved by the Board, and submitted for confirmation by a majority vote of the stockholders in the annual stockholders' meeting during the year.	**compliant**		
Recommendation 8.5			
1. Company's corporate governance policies, programs, and procedures are contained in its Manual on Corporate Governance (MCG).	**compliant**		
2. The Company's MCG is posted on its company website	**compliant**		
Principle 9: The company should establish standards for the appropriate selection of an external auditor, and effective oversight of the same to strengthen the external auditor's independence and enhance audit quality			
Recommendation 9.1			
1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.	**compliant**	FSMBAI requires the prospect External Auditor to submit proposal prior to approval of their engagement.	
2. The appointment, reappointment, removal, and fees of the external auditor is recommended by the Audit Committee, approved by the Board, and ratified by the shareholders.	**compliant**		
3. For the removal of the external auditor, the reasons for removal or change are disclosed to the regulators and the public through the company website and required disclosures.	**compliant**		
Recommendation 9.2			

1. Audit Committee Charter includes the Audit Committee's responsibility on: i. assessing the integrity and independence of external auditors; ii. Exercising effective oversight to review and monitor the external auditor's independence and objectivity; and iii. Exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements.	**compliant**		
2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.	**compliant**		
Recommendation 9.3			
1. Company discloses the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest.	**compliant**	No transactions for Non-Audit Service are rendered by the External Auditor.	
2. Audit Committee stays alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the external auditor's objectivity	**compliant**		
Principle 10: The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.			
Recommendation 10.1			
1. Board has a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social, and governance (EESG) issues of its business, which underpin sustainability.	**compliant**		
2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues	**compliant**		
Principle 11: The company should maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for informed decision- making by investors, stakeholders, and other interested users.			
Recommendation 11.1			
1. The company should have a website to ensure a comprehensive, cost-efficient, transparent, and timely manner of disseminating relevant information to the public.	**compliant**		
Principle 12: To ensure integrity, transparency, and proper governance in the conduct of its affairs, the company should control the system and enterprise risk management framework, a strong and effective internal control system, and enterprise risk management framework.			
Recommendation 12.1			
1. Company has an adequate and effective internal control system in the conduct of its business.	**compliant**	The Association adopts its Operation's Manual for the Board and Management to have effective internal control system in all its business transactions.	

2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.	**compliant**		
Recommendation 12.2			
1. Company has in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the company's operations.	**compliant**		
Recommendation 12.3			
1. The company has a qualified Chief Audit Executive (CAE) appointed by the Board	**compliant**		
2. CAE oversees and is responsible for the internal audit activity of the organization, including that portion that is outsourced to a third-party service provider.	**compliant**		
3. In case of a fully outsourced internal audit activity, a qualified independent executive or senior management personnel is assigned the responsibility for managing the fully outsourced internal audit activity.	**compliant**		
Recommendation 12.4			
1. The company has a separate risk management function to identify, assess and monitor key risk exposures	**compliant**	The AMLA Compliance Officers are designated primarily for this purpose; They ensure that the Association's funds are safe at risk and fraud.	
Recommendation 12.5			
1. In managing the company's Risk Management System, the company has a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM).	non-compliant		FSMBAI has no company Chief Risk Officer (CRO)
2. CRO has adequate authority, stature, resources, and support to fulfill his/her responsibilities.	non-compliant		FSMBAI has no company Chief Risk Officer (CRO)
CULTIVATING A SYNERGIC RELATIONSHIP WITH SHAREHOLDERS			
Principle 13: The company should treat all shareholders fairly and equitably, and also recognize, protect, and facilitate the exercise of their rights.			
Recommendation 13.1			
1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.	**compliant**	FSMBAI Corporate Governance Manual will be published on the association's website.	
2. Board ensures that basic shareholder rights are disclosed on the company's website.	**compliant**		
Recommendation 13.2			
1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 21 days before the meeting.	**compliant**	The Notice of the meeting and Agenda for the 2022 Annual General Assembly will be published in two major newspapers, as specified in the Rules on Election.	
Recommendation 13.3			

1. Board encourages active shareholder participation by making the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day.	**compliant**		
2. Minutes of the Annual and Special Shareholders' Meetings are available on the company website within five business days from the end of the meeting.	**compliant**		
Recommendation 13.4			
1. Board has an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner	**compliant**	The dispute mechanism is stipulated in the Rules on Election, as approved by the Insuarance Commission.	
2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	**compliant**		
DUTIES TO STAKEHOLDERS			
Principle 14: The right of the stakeholders established by law, by contractual relations, and through voluntary commitments must be respected. Where stakeholders' rights and/or interests are at stake, stakeholders should have the opportunity to obtain prompt effective redress for the violation of their rights.			
Recommendation 14.1			
1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth, and sustainability.	**compliant**	Included in the Corporate Governance Manual	
Recommendation 14.2			
1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	**compliant**		
Recommendation 14.3			
1. Board adopts a transparent framework and process that allow stakeholders to communicate with the company and to obtain redress for the violation of their rights.	**compliant**		
Principle 15: A mechanism for employee participation should be developed to create a symbiotic environment, realize the company's goals and participate in its corporate governance processes.			
Recommendation 15.1			
1. Board establishes policies, programs, and procedures that encourage employees to actively participate in the realization of the company's goals and its governance.	**compliant**	The FSMBAI Management and employees are responsible for formulating the Annual Operations Plan that will be approved by the Board of Trustees.	
Recommendation 15.2			
1. Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct.	**compliant**		
2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	**compliant**		
Recommendation 15.3			
1. Board established a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation.	**compliant**	FSMBAI established Whistleblower protection policy approved by the Board	

2. Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.	**compliant**		
3. Board supervises and ensures the enforcement of the whistleblowing framework	**compliant**		
Principle 16: The company should be socially responsible in all its dealings with the communities where it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.			
Recommendation 16.1			
1. Company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business while contributing to the advancement of the society where it operates.	**compliant**		

CERTIFICATION

The undersigned certify that the responses and explanations set forth in the above company's Annual Corporate Governance Report are true, complete and correct of our own personal knowledge and/or based on authentic records.

Signed in the City of QUEZON CITY on the SEP 0 1 2025 of ______ 2025.

FSSUPT HENRY M MOJICA (RET.) **CHAIRMAN OF THE BOARD** Signature over printed name	FCSUPT RONEL M MALTEZO (RET.) **PRESIDENT / CEO** Signature over printed name
SFO1 LEO ANGELO B RAMOS **CORPORATE SECRETARY** Signature over printed name	FSSUPT HENRY M MOJICA (RET.) **CORPORATE GOVERNANCE** COMPLIANCE OFFICER Signature over printed name
FDIR RODRIGO R ABRAZALDO, (RET.) **INDEPENDENT DIRECTOR** Signature over printed name	FDIR LEONARD R BAÑAGO, (RET.) **INDEPENDENT DIRECTOR** Signature over printed name

SUBSCRIBED AND SWORN to before me this SEP 0 1 2025 day of ____ 2025, at Quezon City, Metro Manila. Affiant exhibited to me his Community Tax Certificate No. ________________ issued on ____________ at ________________.

NAME	ID No.	DATE / PLACE ISSUED
1. FSSUPT HENRY M MOJICA (RET.)	RET-22-1423	BFP NHQ - QUEZON CITY
2. FCSUPT RONEL M MALTEZO (RET.)	RET-25-087	BFP NHQ - QUEZON CITY
3. SFO1 LEO ANGELO B RAMOS	R12004	BFP NHQ - QUEZON CITY
4. FDIR RODRIGO R ABRAZALDO, (RET.)	5013-0214-3893-4069	PSA - QUEZON CITY
5. FDIR LEONARD R BAÑAGO, (RET.)	BOHRET-2019-103	BFP NHQ - QUEZON CITY

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NOTARY PUBLIC

ATTY. H. A. UNTAYAO
NOTARY PUBLIC
Not. Com. Expires 31 December 2025
Roll No. 83826 - IBP No. 360062 (Head Office)
PTR No. 6989467-D (Jan. 2, 2025/QC)
MCLE No. VIII-0000996 (Until April 14, 2028)
26 Columbia St., Cubao, Quezon City.