PROVIDERS MUTUAL BENEFIT ASSOCIATION INC.
Annual Corporate Governance Unit

1. For the fiscal year ended December 31, 2025
2. Certificate Authority Number 2023-05-0
3. Isabela, Philippines
   Province, Country, or other jurisdiction of incorporation or organization
4. 1AH26 Magsaysay (Pob.), Naguilian, Isabela, 3302
   Address of principal office, Postal Code
5. 0936-796-9956
   Company's mobile number
6. https://mbai.providers
   Company's website

Name of MBA: Providers Mutual Benefit Association Inc.			
2025 Annual Corporate Governance Report		**PMBAI**	
	Compliant/ Non-compliant	**Additional Information**	**Reference/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**	Providers MBAI is composed of directors with diverse professional or business experience and expertise. Majority of members are active members of Providers Multipurpose Cooperative and other organized groups.	
2. Board has an appropriate mix of competence and expertise.	**Compliant**	Biographical Data of the Board of Trustees	
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**	PMBAI Corporate Governance Manual: Page 6 (Qualifications and Disqualifications of Directors, Specific Duties and Responsibilities)	
Recommendation 1.2			
1. Board is composed of a majority of non-executive directors.	**Compliant**	The Providers MBAI Board consists of seven (7) members composed of the following: Five (5) trustees elected by the active members of Providers Multipurpose Cooperative; and Two (2) independent trustees appointed by the Board of Providers MBAI. PMBAI Corporate Governance Manual: Page 5 (Composition of the Board)	
Recommendation 1.3			
1. Company provides in its Board Charter or Manual on Corporate Governance a policy on the training of directors.	**Compliant**	Providers MBAI Board of Trustess are required to attend corporate governance seminar conducted by a duly recognized private or government institute.	
2. Company provides in its Board Charter or Manual on Corporate Governance an orientation program for first-time directors.	**Non-compliant**		The association will create Board Charter or Manual on Corporate Governance an orientation program for first-time directors to be compliant for the next submission of Annual Corporate Goveranance Report 2026.
3. Company has relevant annual continuing training for all directors	**Compliant**	PMBAI Corporate Governance Manual: Page 61 (Training Process)	
Recommendation 1.4			
1. Board has a policy on board diversity	**Compliant**	Providers MBAI directors shall have the integrity, diverse experience and skill, time and commitment to effectively carry out their duties. PMBAI has 7 Board of Trustees. Four (4) of them are female and three (3) are male from different professional and business experience. PMBAI Corporate Governance Manual: Page 7 (Board Diversity policy)	
Recommendation 1.5			
1. Board is assisted in its duties by a Corporate Secretary	**Compliant**	Providers MBAI Coporate Secretary is Mr. Harold L. Opeña. He is not a Compliance Officer of the Organization.	
2. Corporate Secretary is a separate individual from the Compliance Officer	**Compliant**	Corporate Secretary's profile	
3. Corporate Secretary is not a member of the Board of Directors.	**Compliant**	PMBAI Corporate Governance Manual: Page 12 (Secretary)	
4. Corporate Secretary attends training/s on corporate governance.	**Compliant**		The Corporate Secretary of Providers MBAI participated in the Good Governance and Anti-Money Laundering Act Workshop for Micro-MBAs held at the BSA Twin Towers Hotel in Mandaluyong City from October 15 to 17, 2025.
Recommendation 1.6			
1. Board is assisted by a Compliance Officer	**Compliant**	Providers MBAI Compliance Officer is Khristian Dalle C. Buguina. He will assist the Board in complying with all the necessary requirements required by the Regulatory Bodies.	
2. Compliance Officer has a rank of Vice President or an equivalent position with adequate stature and authority in the corporation	**Compliant**	Compliance Officer Profile	
3. Compliance Officer is not a member of the board	**Compliant**		
4. Compliance Officer attends training/s on corporate governance annually.	**Compliant**		The Compliance Officer of Providers MBAI participated in the Good Governance and Anti-Money Laundering Act Workshop for Micro-MBAs held at the BSA Twin Towers Hotel in Mandaluyong City from October 15 to 17, 2025.
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**	Providers MBAI Board of Trustess are required to act on a fully informed basis, in good faith and with due to diligence for the best interest of the association. Providers MBAI Corporate Governance Manual: Page 7 (Board of Trustees Duties and Responsibilities)	
Recommendation 2.2			
1. Board oversees the development, review, and approval of the company's business objectives and strategy.	**Non-Compliant**		The Providers MBAI Board of Trustess is committted to create for next year's Annual Plan, Budget and Work Plan to be compliant on next submission of Annual Corporate Governance Report 2026.
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.	**Non-Compliant**		
Recommendation 2.3			
1. Board is headed by a competent and qualified Chairperson.	**Compliant**	Providers MBAI's Chairperson is MARK DOMINICK D. PAUIG. Chairperson's Profile Providers MBAI Corporate Governance Manual: Page 7 (Board of Trustees Duties and Responsibilities)	

Recommendation 2.4			
1. Board ensures and adopts an effective succession planning program for directors, key officers, and management.	**Non-compliant**		The Providers MBAI Board of Trustees is committted to create a Succession Planning Committee (SPC) and for the Senior Management Team (SMT) to proactively anticipate future needs, changes, problems, and risks.
2. Board adopts a policy on the retirement of directors and key officers.	**Compliant**	Providers MBAI Corporate Governance Manual: Page 7 (Board of Trustees Duties and Responsibilities) Providers MBAI Election Rules and Guidelines	
Recommendation 2.5			
1. Board formulates and adopts a policy specifying the relationship between remuneration and performance of key officers and board members.	**Non-compliant**		The Providers MBAI Board of Trustees is committted to formulate and adopt a policy specifying the relationship between remuneration and performance of key officers and board members.
2. Board aligns the remuneration of key officers and board members with the long-term interests of the company.	**Non-compliant**		The Renumeration Policy does not state how the remuneration of key officers and board members aligns with the long-term interests of the company
3. Directors do not participate in discussions or deliberations involving his/her remuneration.	**Compliant**	Providers MBAI Corporate Governance Manual: Page 7 (Remuneration)	
Recommendation 2.6			
1. Board has a formal and transparent board nomination and election policy.	**Compliant**	Providers MBAI Nomination and Election Committee shall be composed of at least three (3) members of the board of trustees, one of whom must be independent board and shall serve for three (3) years, or co-terminus with the Board of Trustees. Reference links below:	
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**		
4. Board nomination and election policy include how the board reviews nominated candidates.	**Compliant**		
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**	Providers MBAI Corporate Governance Manual: Page 16 (Election Committee)	
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	**Compliant**	Providers MBAI Election Rules and Guidelines	
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 Related Party Transactions (RPT) Committee is tasked with reviewing all material related party transactions of the association.It is composed of at least three non-executive directors, majority of whom should be independent,including the Chairman. Reference link below:	
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions	**Compliant**	Providers MBAI Corporate Governance Manual: Page 30 (Related Party Transactions)	
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**	The Management is to be headed by the General Manager to be hired by the Association. The manager shall regularly report to the Board at its regular Board meeting,or during special meeting whenever necessary or requested by the Board, on all matters concerning the associations operation as well as the significant events or occurences affecting the Association. Reference link below:	
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**	Providers MBAI Corporate Governance Manual: Page31 (The Management)	
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 is to be headed by the General Manager to be hired by the Association. The manager shall regularly report to the Board at its regular Board meeting,or during special meeting whenever necessary or requested by the Board, on all matters concerning the associations operation as well as the significant events or occurences affecting the Association.	
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**	Providers MBAI Corporate Governance Manual: Page31 (The Management)	
Recommendation 2.10			
1. Board oversees that an appropriate internal control system is in place.	**Compliant**	Internal controls system includes a set of rules, policies, and procedures an organization implements to provide direction, increase efficiency and strengthen adherence to policies. Reference links below:	
2. The internal control system includes a mechanism for monitoring and managing potential conflicts of interest of the Management, members, and shareholders.	**Compliant**	Providers MBAI Corporate Governance Manual: Page 14 (The Board Committees)	
3. Board approves the Internal Audit Charter	**Compliant**	Providers MBAI Corporate Governance Manual: Page 35 (Internal Audit)	

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.	**Non-Compliant**		Providers MBAI Board of Trustess is committed to create Enterprise Risk Management framework to be compliant on next submission of Annual Corporate Governance Report 2026.
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.	**Non-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.	**Compliant**	The Board of Trustess is the governing body of the Association. Trustees are primarily reponsible for approving and overseeing the implementation of the Associations' policies and procedures, actions plans corporate governance and corporate values. Reference link below:	
2. Board Charter serves as a guide to the directors in the performance of their functions.	**Compliant**		
3. Board Charter is publicly available and posted on the company's website.	**Compliant**	Providers MBAI Corporate Governance Manual: Page 5 (The Board of Trustees)	
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**	Providers MBAI Board of Directors created seven board-level committees namely: (1) Audit, (2) Election, (3) Education & Training, (4) Ethics, (5) Risk Management ,(6) Corporate Governance,and (7) Gender and Development . Each commitee has its own charter containing provisions on its composition and functions. Reference link below: Providers MBAI Corporate Governance Manual: Page 14 (The Board Committees)	
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**	Providers MBAI Audit Committee monitors and evaluate the effectivenss of the Association's internal control system. Providers MBAI is composed of at least three (3) members of the board of trustress, majority of whom must be independent board of good standing preferably with accounting and finance experiences and shall serve for three (3) years, or co-terminus with the Board of Trustees. Reference link below:	
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**	Providers MBAI Corporate Governance Manual: Page14 (Audit Committee)	
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**	The Corporate Governance Committee is tasked to assist the Board of Trustees in fulfilling its corporate governance responsibilities by ensuring compliance with and proper observance of corporate governance laws,rules,principles and best practices. Reference link below:	
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**	Providers MBAI Corporate Governance Manual: Page 16 (Election Committee)	
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.	**Compliant**	The Board Risk ManagementCommittee (RMC) should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness. Reference link below:	
2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	**Compliant**		
3. The Chairman of the BROC is not the Chairman of the Board or any other committee.	**Compliant**	Providers MBAI Corporate Governance Manual: Page 19 (Risk Management Committee)	
4. At least one member of the BROC has relevant thorough knowledge and experience in risk and risk management.	**Compliant**		

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**		Providers MBAI Board of Directors is committeed to create policies and manual for 2025 Annual Corporate Governance. As of the moment, the corporate governance manual identified Related Party Transactions. Refernce link below: Providers MBAI Corporate Governance Manual: Page 30 (Related Party Transactions)
2. RPT Committee is composed of at least three non-executive directors, majority of whom should be independent, including the Chairman.	**Non-Compliant**		
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.	**Compliant**	Providers MBAI Board of Trustess conducts an annual evaluation of its performance through self assessment by the Individual Trustees of their respective individual performance and peer assessment. Reference links below: Providers MBAI Corporate Governance Manual: Page 7 (Performance Evaluation)	
2. Committee Charters provide standards for evaluating the performance of the Committees.	**Compliant**		
3. Committee Charters were fully disclosed on the company's website.	**Compliant**	Providers MBAI has its own website:https://mbai.providersmpc.coop/	
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**	The Board of Trustees actively participate in Board Meeting as required in the Providers MBAI Corporate Governance Manual. Reference links below: Providers MBAI Corporate Governance Manual: Page 21 (Board 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**	A non-executive director , independent director or external director is a member of the board of directors of a company or organisation, but not a member of the executive management team. They are not employees of the company or affiliated with it in any other way and are differentiated from executive directors, who are members of the board who also serve, or previously served, as executive managers of the company (most often as corporate officers). Reference link below: Providers MBAI Corporate Governance Manual: Page 11 (The Independent Trustees)	
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**	Providers MBAI currently no directorship in another company. Biographical Data of Board of Trustees	
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**	PMBAI has 5 (five) Board of Trustees members, and two (2) independent trustees all of them are members of Providers Multipurpose Cooperative. Reference link below: Biographical data of Board of Trustees PMBAI Corporate Governance Manual: Page 7 (Board Diversity policy)	
Recommendation 5.2			
1. The independent directors possess all the necessary qualifications and none of the disqualifications to hold the position.	**Compliant**	An independent trustee should be independent of management and free from any business or other relationship which could materiallyinterfere with the exercise of his independent judgement. He/she shall provide advice to the Board on the most critical issues to deal with,assist the Board in achieving consensus on important issues,and work with the Management in prioritizing issues. Reference link below: Providers MBAI Corporate Governance Manual: Page 7 (Term of Office of the Board and The Independent Trustees)	
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**	The independent trustees shall be elected by the majority of the Board. Notwithstanding the foregoing,for the duration that the Association is under the a conservatorship of the Insurance Commissioner, the independent trustees shall be appointed by, and shall serve at the pleasure of the Insurance Commission. Reference link below:	

2. The company bars an independent director from serving in such capacity after the term limit of nine years.	**Compliant**	Providers MBAI Corporate Governance Manual: Page 7 (Term of Office of the Board and The Independent Trustees)	
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**	Providers MBAI has a separate Chairman of the Board and Chief Executive Officer. Reference link below Chief Executive Officer Profile	
2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	**Compliant**	The Chairman of the Board is the President of the association and the Management is headed by the Chief Executive Officer. Reference link below: Providers MBAI Corporate Governance Manual: Page 11 and 31 (The Officer of the Board and The Management)	
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**	The Board of Trustees of Providers MBAI shall consist of seven (7) members namely the following:five (5) trustees shall be elected by the active members of Providers Multipurpose Cooperative;and two (2) Independent trustess,to be apponited by the Board of Providers MBAI. Reference link below: PMBAI Corporate Governance Manual: Page 5 (Board of Trustees)	
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**	Any Board of Trustees of the Association who has an interest in the transaction shall not participate in the deliberation and shall abstain in the approval of the transaction. Reference link below: PMBAI Corporate Governance Manual: Page 4 (Principles and Commitment to Governance)	
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**	There is a separate meeting with the external Auditor together with the General Manager and Compliance Officer. The report and recommendations of the external auditor is presented to the Board of Trustees for action. Reference link below:	
2. The meetings are chaired by the lead of the independent director.	**Compliant**	PMBAI Corporate Governance Manual: Page 4 (Principles and Commitment to Governance)	
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**	The Board of Trustees conducts an annual evaluation of its performance through self-assessment by the Individual Trustees of their respective individual performance and peer assessment. Reference link below:	
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**	Providers MBAI Corporate Governance Manual: Page 7 (Performance Evaluation)	
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 proce	**Compliant**	The Board of Trustees conducts an annual evaluation of its performance through self-assessment by the Individual Trustees of their respective individual performance and peer assessment. Reference link below:	

2. The system allows for a feedback mechanism from the shareholders	**Compliant**	Providers MBAI Corporate Governance Manual: Page 7 (Performance Evaluation)	
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**	Providers MBAI core values are the foundation of the Association Code of Ethics -for the Board of Trustees and employees,wherein the Board spearheads the commitment of the Association to adhere to the ethical conduct of this business embodying the principles of integrity,fairness, accountability and transparency. Reference link below.	
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**	Providers MBAI Code of Ethics	
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**	Providers MBAI core values are the foundation of the Association Code of Ethics -for the Board of Trustees and employees,wherein the Board spearheads the commitment of the Association to adhere to the ethical conduct of this business embodying the principles of integrity,fairness, accountability and transparency. Reference link below,.	
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	**Compliant**	Providers MBAI Code of Ethics	
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**		We received an unqualified opinion from our external auditor on our Audited Financial Statements, which indicates that the financial statements have been prepared, in all material respects, in accordance with the applicable financial reporting framework.
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**	Providers MBAI is composed of directors with diverse educational background,professional experience and expertise. All important and relevant information of the Key Officers of Providers MBAI are posted on the Association's website for transparency and public viewing of its stakeholders. microfinance institution,member cooperatives and other organized groups.	
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**	Board of Directors Profile	
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**	Providers MBAI Board of Trustees does not receive any remuneration . Providers MBAI Corporate Governance Manual: Page 7 (Remuneration)	
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.	**Non Compliant**		The Board of Trustees will Establish Corporate Disclosure Policies and Human Resource Manual this year 2026 to be compliant for the next submission of the Annual Corporate Governance Report.
3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	**Non Compliant**		
Recommendation 8.4			
1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions.	**Compliant**	Providers MBAI has its Policy on the Related Party Transaction.	
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**	Providers MBAI Corporate Governance Manual: Page 30 (Related Party Transactions)	
Recommendation 8.5			

1. Company's corporate governance policies, programs, and procedures are contained in its Manual on Corporate Governance (MCG).	**Compliant**	Providers MBAI Corporate Governance Manual	
2. The Company's MCG is posted on its company website	**Compliant**	https://mbai.providersmpc.coop/	
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**	Providers MBAI. Audit Committee oversees all matters pertaining to audit such as internal audit function and performance, the integrity of the financial statements, and generaal accounting process, among others.	
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**	Providers MBAI Corporate Governance Manual	
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**	Providers MBAI Audit Committee oversees all matters pertaining to audit such as internal audit function and performance, the integrity of the financial statements, and generaal accounting process, among others. It provides oversight on the senior management's activities, as well as the Association's internal and external auditors. The Committee also monitors and evaluate the effectivenss of the Association's internal control system.	
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**	Providers MBAI Corporate Governance Manual	
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**	Providers MBAI Corporate Governance Manual Page 32 (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**	The association create a Policy on Social Responsibility to the Community to show its involvement on different community services.	
2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	**Compliant**	Providers MBAI Policy on Social Responsibility	
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**	Providers MBAI have a website to ensure a comprehensive,cost-efficien,tranparent, and timely manner of disseminating relevant information to the public. https://mbai.providersmpc.coop/	
INTERNAL CONTROL SYSTEM AND RISK MANAGEMENT FRAMEWORK			
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.	**Non Compliant**		The association will create Audit Manual to be compliant for the next submission of Annual Corporate Goveranance Report.

2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.	**Non Compliant**		The association will create Enterprise Risk management framework to be compliant for the next submission of Annual Corporate Goveranance Report.
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**	Providers MBAI includes the duties and responsibilities of the Internal Auditor in the Corporate Governance Manual.	
		Providers MBAI Corporate Governance Manual: Page 35 (Internal Audit)	
Recommendation 12.3			
1. The company has a qualified Chief Audit Executive (CAE) appointed by the Board	**Non Compliant**		The association will create Audit Manual for Internal Auditors to be compliant for the next submission of Annual Corporate Governance Report.
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.	**Non 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.	**Non Compliant**		
Recommendation 12.4			
1. The company has a separate risk management function to identify, assess and monitor key risk exposures.	**Non Compliant**		The association will create a committee for Risk Management and Risk Management Manual to be compliant for the next submission.
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**		The association will create a committee for Risk Management and Risk Management Manual to be compliant for the next submission.
2. CRO has adequate authority, stature, resources, and support to fulfill his/her responsibilities.	**Non-Compliant**		
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**	Providers MBAI stakeholders rights are disclosed in the Manual on Corporate Governance.	
2. Board ensures that basic shareholder rights are disclosed on the company's website.	**Compliant**	Providers MBAI Corporate Governance Manual	

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**	Providers MBAI Corporate Governance Manual	
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**	Providers MBAI Corporate Governance Manual	
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.	**Non-Compliant**		The Board of Trustees were not able to gather its members to conduct an annual meeting.
Recommendation 13.4			
1. Board has an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner	**Compliant**	The Association is committed to protect the welfare and rights of its stakeholders by ensuring quality service and programs are given to them and every transactions with them are conducted in a transparent and fair manner. Refer to reference link: Providers MBAI Corporate Governance Manual: Page 57 (Stakeholders)	
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**	The Association is committed to protect the welfare and rights of its stakeholders by ensuring quality service and programs are given to them and every transactions with them are conducted in a transparent and fair manner. Providers MBAI Corporate Governance Manual: Page 57 (Stakeholders)	
Recommendation 14.2			
1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	**Compliant**	The Association is committed to protect the welfare and rights of its stakeholders by ensuring quality service and programs are given to them and every transactions with them are conducted in a transparent and fair manner. Providers MBAI Corporate Governance Manual: Page 57 (Stakeholders)	
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**	The Association is committed to protect the welfare and rights of its stakeholders by ensuring quality service and programs are given to them and every transactions with them are conducted in a transparent and fair manner. Providers MBAI Corporate Governance Manual: Page 57 (Stakeholders)	
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 progress of the Association depends on its human resources and that only through carefully selected ,well trained, result oriented and dedicated employees can the Association achieved its objectives as stated in the separate Personnel Manual. The Association shall address to the Philippine's Labor Laws that will protect the well-being of the employees.The practical activities for the workplace organization must focus on improving the workplace organization for purposes of health and safety, quality and efficiency;how employees will operate within it and how to eliminate was in all its forms.	
		Providers MBAI Corporate Governance Manual	
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**	The employees shall be given trainings in the form of (i) formal-undergraduate course and/or Masters degree;(ii) on the job training or coaching;(iii) in house lectures; and,(iv) local or international courses,seminars,study tours,workshop and conference. The association is also committed to protect the welfare of all its employess to any grievances that they may encounter by having a close and unannounced monitoring by the top management and/ or Executives to the filed when the employees can raise their issues and concerns to their immediate supervisors.	
2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	**Compliant**	Providers MBAI Corporate Governance Manual	
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**	The associaton created a whistleblowing policy to protect the Association's and its stakeholders tofights againts fraud,misconduct and corruption. The whistle blowing policy is posted on the Association's website for transparency	
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**	Providers MBAI Policy on Social Responsibility (Section 10 Policy on whistleblowing)	
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	**Compliant**	In any business,there is a need for the support of the community where it operates. The Association acknowledge the significant role of the community in achieving its vission mission particularly in helping people become less vulnerable. Providers MBAI Policy on Social Responsibility	

CERTIFICATION

The undersigned certify that the responses and explanations outlined in the above Company Annual Corporate Governance Report are true, complete, and correct to our own personal knowledge and/or based on authentic records.

Signed in the City of ____________on the_____________of__________2026.

MARK DOMINICK D. PAUIG
Chairman of the Board

SHEILA M. ARANDA
Chief Executive Officer

HAROLD L. OPEÑA
Corporate Secretary

KHRISTIAN DALLE C. BUGUINA
Corporate Governance Compliance Officer

JEFFREY C. CAMASO
Independent Director

ERICSON T. PASUQUIN
Independent Director

SUBSCRIBED AND SWORN to before me this ______day of June, 2026, by the following, who are all personally known to me (or whom I have identified through competent evidence of identity) and who exhibited to me their respective identification document as follows:

NAME	ID NO.	DATE/PLACE ISSUED
MARK DOMINICK D. PAUIG	B11-16-001232	SEPT. 02, 2024 / CAUAYAN CITY, ISABELA
SHEILA M. ARANDA	0106138	JUNE 4, 2002 / Tuguegarao City, Cagayan
HAROLD L. OPEÑA	0203233	DEC. 07, 2023 / SANTIAGO CITY, ISABELA
KHRISTIAN DALLE C. BUGUINA	B11-21-200543	MAY 15, 2024 / ILAGAN CITY, ISABELA

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Atty. Jayson M. Bravo
Notary Public / Until December 31, 2026
Roll of Attorney No. 79214
PTR No. 19588623 - January 7, 2026
IBP OR No. INV 590805 - January 7, 2026
MCLE Compliance No. VIII-0021979