



GOVERNANCE MANUAL

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I. Introduction

TSPI Mutual Benefit Association (TSPI MBAI) is the microinsurance arm of Tulay sa Pag-unlad, Inc. (A Microfinance NGO). It provides microinsurance benefits to the employees, clients and their dependents (*kapamilya*) in times of death, accident and sickness. It was registered as a non-stock, non-profit organization in August 31, 2005 and was granted a license by Insurance Commission on December 22, 2006.

The Vision

To see people live Christ-centered lives with dignity, sufficiency, integrity and hope demonstrating this through love and service in their families and communities.

The Mission

We are one with TSPI in providing opportunities to experience fullness of life in Christ to individuals, families and communities that we serve by giving access to microinsurance products and social development services.

The purpose for which the Association was formed is to extend financial assistance to the members and the immediate members of their families in the form of death benefits, medical reimbursement, pension, loan redemption assistance, disability benefit and other services for the benefit of the members.

II. Policy Statement Purpose and Objective

A. Policy Statement

Board of Trustees and the Management Team of TSPI MBAI commit themselves to the principles of:

1. Transparency – disclosure to stakeholders of all information that is of interest to them and not just the information required by statutory provisions and regulations.
2. Equity – fair and equal treatment of all interested parties.
3. Accountability – rendering of accounts of the Association's performance, fully assuming the consequences of its acts and omissions; and
4. Corporate responsibility – dedication to the sustainability of the Association, aimed at their longevity, incorporating social and environmental considerations into the definition of business.

B. Purpose

1. Guide the Association organizations in fulfilling its long-term economic, moral, legal, discipleship and social obligations towards the stakeholders.

2. Provide direction, feedback and control using regulations, performance standards, ethical guidelines and Biblical principles to hold the Board of Trustees and the Senior Management accountable for ensuring ethical behavior and transformation, reconciling sustainability of operations and social development mission for the benefit of all stakeholders and society.
3. Maximize the organization's long-term success, creating sustainable value for its stakeholders and the nation.

C. Objective

1. Institutionalize the practice of good governance in the entire Association.
2. Present the structures in place within the Association for decision making and to protect the interests of the members and other stakeholders.

III. Definition of Terms

1. Corporate Governance – the system of rules, systems, and processes in the Association designed to guide the Board of Trustees and Management Team in fulfilling their duties and responsibilities to its members and society at large.
2. Board of Trustees – the governing body elected by members that exercises the corporate powers of the Association, conducts all its business, and controls its properties.
3. Senior Management Team – the body given the authority by the Board of Trustees to efficiently and effectively implement the policies it has laid down in the operation of the Association.

IV. Governance Structure

A. Board of Trustees

The Board of Trustee (BOT) is the governing body of the Association. The BOT act in a manner characterized by transparency, accountability, fairness and for the best interest of the members of the Association. The BOT is responsible for providing strategic direction, approving and overseeing the implementation of the Associations' policies and procedures, action plans corporate governance and corporate values. They shall also be responsible in overseeing the performance of senior management towards attainment of the Association's short and long term strategic objectives.

1. Board Composition

The nine members of the Board of Trustees will come from the following:

- 1.1. *Five from the Board of Trustees of Tulay sa Pag-unlad, Inc. (A Microfinance NGO)*
- 1.2. Three client - member representative coming from the North, Central and South Regions
- 1.3. One employee representative who is a regular employee of TSPI

The five Board of Trustees who are also Board of Trustees of TSPI (A Microfinance NGO) are independent trustees. The Independent Trustee is a person who has no business and / or relationship with TSPI which could, or could reasonably be perceived to, materially interfere with the exercise of independent judgement in carrying out responsibilities as member of the Board of Trustees.

2. Board Qualification

Except for the independent trustees the following are the qualification for:

2.1 Client – member representative

- a. The client- member representative must a client of TSPI NGO and a member of TSPI MBAI for the past 3 years;
- b. Must be a center leader or TAAS agent for the past two years;
- c. Possess leadership skills and participates in social activities in their community; and
- d. Has no pending administrative, civil or criminal case.

2.2 Employee representative

- a. The employee representative must be a regular employee of TSPI NGO or TSPI MBAI;
- b. Must hold a managerial position for the past 3 years; and
- c. Has no pending administrative, civil or criminal case.

3. Remuneration

No member of the BOT shall receive any amount of compensation or remuneration for services rendered to the Association.

4. Duties and Responsibilities

- 4.1 Review, monitor and oversee the implementation of the strategies set by the Association to ensure that its vision and mission will be achieved.
- 4.2 Ensure that the Association complies with all the relevant laws, regulations and endeavor to adopt best business practices.
- 4.3 Formulate and review the association's strategic directions as reflected in its medium (three-year) and long (six-year) term plans, and approve its annual budget in accordance with agreed corporate strategy.
- 4.4 Set up appropriate systems and mechanisms for reporting, performance monitoring, and evaluation of plans, policies, and strategies.
- 4.5 Ensure that all transactions conducted by the Association is fair and in arm's length manner, competitive within the market, and appoint an independent party if necessary to review the fairness of the transaction.
- 4.6 Ensure and observe confidentiality of non-public information acquired by the reason of his/her position as Trustee.

The Officers of the Board shall have the following duties and responsibilities:

- 4.7 Chairman – The Chairman of the Board, who is also an independent BOT, shall preside during all meetings of the BOT. He shall exercise such powers and duties provided for in the By-Laws or vested in him by the Board.
- 4.8 Vice-Chairman – The Vice-Chairman shall discharge the duties and responsibilities of the Chairman during the absence of or incapacity of the latter. He shall perform such other duties and functions and exercise such powers that may be assigned to him by the BOT.
- 4.9 Treasurer – The treasurer shall receive all monies belonging to the Association. He shall issue receipts, keep proper books of accounts and shall deposit said money intact with the depository bank of the Association. He shall account for all transactions and submit financial report as of the given period for the Association. He shall also perform such other duties and functions that may be designated to him by the BOT. His financial records and books of accounts shall be subject to inspection at any time pursuant to the provisions of existing laws.

- 4.10 Secretary – the Secretary shall record all the proceedings of the meeting. He shall keep the records in the principal office of the Association. He shall certify to the acts of the BOT and members of the Association. He may delegate all or part of his duties, functions and responsibilities to any person designated by the BOT.

5. Election and Term of Office

Officers shall be elected by the members of the Board during the organizational board meeting immediately following the Annual General Membership meeting or within a reasonable time thereafter. The duly elected officer shall hold office until his successor is duly elected. Each officer may be elected for any number of terms without limitation.

Members of the BOT shall serve a fixed term of one (1) year except for newly elected member succeeding a member who died, resigned or removed who will only serve for the unexpired term of the outgoing member. By means of a majority vote of the members of the Board constituting a quorum, the Board may designate any officer to hold two compatible offices in concurrent capacity.

Any member of the board or corporate officer may be removed from office for cause by two – thirds (2/3) of the members entitled to vote, either at a regular meeting or special meeting called for the purpose.

The following shall be grounds for disqualification:

- 5.1 The absence of a trustee in more than fifty percent (50%) of all regular and special meetings of the Board of Trustees during his/her incumbency is a ground for disqualification in the succeeding election, unless the absence is due to illness, death in the immediate family, serious accident or other unforeseen or fortuitous events.

- 5.2 Conviction by final judgment of a crime punishable by imprisonment.

6. Board Orientation

All newly elected Board of Trustees are required to undergo an orientation on microinsurance and TSPI MBI's operations. They shall be informed of their specific duties and responsibilities.

As part of good governance, the all new board members shall undergo training on Anti Money Laundering Act (AMLA) and Good Governance. This

is intended to familiarize the new board members on their roles and responsibilities in the Board and Committees, the Association's strategic plans, organizational structures, business activities, compliance programs, Code of Conduct and Business Ethics, and Corporate Governance.

7. Board Meetings and Quorum Requirement

- 7.1 To ensure that there won't be any conflict in schedule, the BOT may schedule the meetings for the whole calendar year in advance.
- 7.2 Regular Board Meeting – The BOT shall hold at least four (4) regular meetings within the year, provided that no two (2) regular meetings may be held within a period of one month.
- 7.3 Special Board Meeting – Special board meeting may be called by the BOT Chair or by any resolution of the members of the BOT. Likewise, the same may be called by a written request from a majority of the members.
- 7.4 Notices for any of the foregoing meetings shall state the date, time and place of meeting together with the agenda thereof. Said notices must be sent by the Secretary to the respective trustee by any formal communication at least ten (10) days before the date of such meeting. Any BOT member may abstain from joining discussion or deliberation on certain agenda items if there is foreseen conflict.
- 7.5 Quorum – A majority (2/3) of the duly elected trustees shall constitute a quorum for the transaction of business. All actions of the Board shall be taken by a majority vote of the members constituting a quorum except when the law requires higher majority.
- 7.6 The members of the Board shall attend and actively participate in meetings in person or through modern technologies such as, but not limited to, teleconferencing and video conferencing. Trustees who opt for such modes shall be considered in full attendance during said meetings and shall be counted for the purpose of establishing a quorum. Every member of the Board must participate in at least fifty percent (50%) of all meetings every year.
- 7.7 The BOT may call for an Executive Session for them to meet privately to handle sensitive and confidential issues.

- 7.8 Minutes of the meeting shall be kept by the Secretary and carefully preserved as records of the business transacted during said meetings. It shall contain entries as may be directed by the Board pursuant to existing laws.

8. Performance Evaluation

As part of the Association's process of corporate governance assessment and monitoring, the BOT shall conduct an annual evaluation of its performance through self-assessment (Annex A) and peer assessment (Annex B)

The Board as a body shall also be evaluated annually together with the board level committees. This evaluation will help improve board performance that will be beneficial for the Association. (Annex C - Committee Assessment Form).

9. Continuing Board Education and Training

All trustees are encouraged to participate in continuing education programs at the Association's expense. This is to ensure that all members of the Board are updated on emerging trends and concerns in the microinsurance industry. For the Association, ongoing education is important for maintaining an up-to-date and effective Board.

The Association uses a variety of approaches based on the learning needs of the BOT. Learning session, specifically on spiritual growth, are done through in-house facilitation. There is also industry facilitated conventions and conferences. These external sessions generally focus on broader topics that are relevant for the microinsurance industry. Dissemination of reading materials and regular updates on emerging regulatory or governance matters are also provided.

10. Retirement and Succession Planning

The Board is responsible for ensuring and adopting an effective succession planning program for directors to ensure the viability and sustainability of the Association. As part of the succession plan, the Board shall adopt a policy on retirement for Directors that will support to promote dynamism and avoid perpetuation in power. This includes adopting a policy on the retirement age for directors as part of management succession.

B. Advisory Council

The BOT may create and maintain an Advisory Council composed of individuals with proper expertise and knowledge. Said council shall advise or render competent services at such time that is solicited by the Board.

The Chairman Emeritus shall preside all meetings of the Advisory Council. He shall exercise such powers and duties provided for in the By-Laws or vested in him by the members of the BOT.

C. Board Level Committee

The Board of Trustees shall constitute committees in aid of good corporate governance. It may delegate some of its functions, but not its responsibilities to Board Level Committees. The Board Level Committees can invite resource persons in any of its meetings to render reports, as necessary.

All committee chairpersons shall be independent Board members, but no BOT member shall be chairperson of more than one (1) committee. Generally, the powers and duties of the Chairman of the Committee are as follows:

1. To convene the members of the Committee whenever he deems it necessary, either on his own initiative, or upon the request of the members of the Committee, at least every two months.
2. To preside over all the Committee meetings.
3. To maintain efficient lines of communication between the Trustees and Management.

Each committee shall be composed of at least three (3) members of the BOT, including the Chairman. The majority presence of at least 2/3 of the members of the Committee shall constitute a quorum. The Committee shall hold a meeting at such time and place as it considers appropriate, provided that a meeting shall be held at every two months.

The administrative requirements of the Committee shall be handled by Office of the Corporate Secretary.

The Association has the following committees: Investment Committee, Audit and Compliance Committee, Governance, Nomination and HR Committee, RPT Committee, Risk Oversight Committee and Executive Committee.

1. Investment Committee

- a. Approve the Association's investment policies, procedures and guidelines and review the implementation accordingly.

- b. Monitor the investment portfolio performance versus the approved investment policies, procedures and guidelines.
- c. Interpret investment policies and resolve associated questions about the portfolio.
- d. Review the investment portfolio's financial statements and other financial reports.
- e. Select, monitor and replace third party advisors and consultants of investment for effectiveness in managing the portfolio.
- f. Stay current with changes in laws and regulations and approve amendments to the investment portfolio as required.

2. Audit and Compliance Committee

- a. Provide oversight of the Association's internal and external auditors.
- b. Responsible for setting up of the internal audit department and the appointment of external auditors.
- c. Monitor and evaluate the adequacy and effectiveness of the internal control system of the Association.
- d. Review and approve the audit scope and frequency and shall receive key audit reports and ensure that senior management is taking necessary corrective actions in a timely manner to address weaknesses, non-compliance with policies, laws and regulations identified by auditors.
- e. Review the Association's audited financial statements and annual reports, and endorse to the full Board of Trustees for approval.

3. Governance, Nomination and HR Committee

- a. Oversees the nomination & election process for members of the Board of Trustees and for positions appointed by the Board of Trustees.
- b. Define the general profile of board members and ensuring appropriate knowledge, competencies and expertise that complement the existing skills of the Board of Trustees.
- c. Reviews and evaluates the qualifications of all persons nominated to the Board of Trustees as well as those nominated to other positions requiring appointment by the Board of Trustees.
- d. Pre-screens and shortlists all candidates nominated to become a member of the Board of Trustees, ensuring that there is no conflict of interest for interested candidates.
- e. Develops a form on Full Business Interest Disclosure as part of the pre-employment requirements for all incoming officers, which among others compel all officers to declare under the penalty of perjury all their existing business interests or shareholdings that may directly or indirectly conflict in their performance of duties once hired.

- f. Responsible for setting human resource standards in the areas of recruitment, training and development, performance appraisal and merit program, employee relations, retirement and separation from the Association.
- g. Oversees the design and implementation of the remuneration and other incentives policy for officers.
- h. Establishes a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration packages of officers, and provide oversight over remuneration of Senior Management and other key personnel ensuring that compensation is consistent with the Organization's culture, financial capacity, business strategy and control environment.
- i. Designates the amount of remuneration and fringe benefits, which shall be at a sufficient level to attract and retain officers who are needed to run the Organization successfully.

4. RPT Committee

- a. Assist the Board of Trustees oversight functions in monitoring and managing potential conflicts of interest of board members, management, and other stakeholders.
- b. Review and approve policy guidelines and implementing procedures in handling RPTs by ensuring effective compliance with laws, rules and regulations, accounting standards and global best practices.
- c. Evaluate on an ongoing basis existing relations between and among businesses and counterparties to ensure that all related parties are continuously identified; RPTs are monitored; and subsequent changes in relationships with counterparties (from non-related to related and vice versa) are captured.
- d. Evaluate all material RPTs to ensure that these are conducted in the normal course of business; not undertaken on more favorable economic terms to such related parties than similar transactions with non-related parties under similar circumstances, and that no resources of the Organization are misappropriated or misapplied; and to determine any potential reputational risk issues that may arise as a result of or in connection with the transactions.

5. Risk Oversight Committee

- a. Review the Association's risk management framework and recommend appropriate policies and standards to the BOT for approval.
- b. Perform regular reviews of the Association's exposures based on risk category i.e., operational, legal, financial, reputational, technology, information security, compliance market, liquidity, data privacy, regulatory

capital, consumer protection etc.) and recommend the necessary mitigation and other management actions to limit, control or monitor such exposures.

- c. Assess the probability of each risk becoming reality and ensure that the system remains effective and immediate corrective actions are taken whenever limits are breached.
- d. Develop risk management strategies by developing a written plan defining the strategies for managing and controlling the major risks, identifying practical strategies to reduce the chance of harm and failure or minimize losses if the risk becomes real and overseeing the implementation of the risk management plan.

6. Executive Committee

- a. Ensure that every detail of the rules, approved plans, operations and policies of the Association shall be carried out faithfully.
- b. Responsible for overseeing the daily implementation of board policies and making sure that the board is establishing and maintaining good governance practices.

D. Senior Management Team

The Senior Management Team (SMT) is the body given the authority by the Board of Trustees to efficiently and effectively implement the policies it has laid down in the operation of the Association. The President & CEO leads the SMT. The different Department Heads of Accounting & Finance, Operation and HR & Legal forms part of the SMT.

The SMT reports regularly to the BOT at its regular Board meeting, or during special meeting whenever necessary or requested by the Board, on all matters concerning the Association's operation as well as significant events or occurrences affecting the Association.

The President shall be the Chief Executive Officer of the Association. He shall execute all resolutions of the BOT. He shall be charged with directing and overseeing the activities of the Association in accordance with its mission and vision. He shall submit to the Board as soon as possible after the close of each year, and to the members of each annual meeting, a complete report of the activities and operations of the Association under his term. His performance will be evaluated by the BOT on an annual basis.

To ensure that the Association follows the regulations set forth by regulatory entities, the BOT approved the assignment of:

1. Compliance Officer

The Compliance Officer will have the following functions:

- a. Coordinate, monitor and facilitate compliance with existing laws, rules and regulations of the IC, SEC, BIR and other regulatory bodies and with the provisions and requirements of this Manual.
- b. Determine violations with existing laws, rules and regulations and with the provisions of the Manual and recommend appropriate sanctions and/or penalties for violation thereof, for further review and approval of the Board of Trustees.
- c. Identify, monitor and control compliance risks.

2. Data Privacy Officer

The Data Privacy Officer will have the following functions:

- a. Monitor the Association's compliance with regulatory offices.
- b. Ensure the conduct of Privacy Impact Assessments relative to activities, measures, projects, programs, or systems.
- c. Ensure proper data breach and security incident management including preparation and submission to regulatory bodies and other documentation concerning security incidents or data breaches within the prescribed period
- d. Inform and cultivate awareness on privacy and data protection within the Association, including all relevant laws, rules and regulations and issuances of the regulatory bodies.

3. Records Custodian Officer.

The Records Custodian Officer will have the following functions:

- a. Responsible for the creation and maintenance of a system to deal with the Association's records throughout its lifecycle.
- b. Ensure that all records used by the Association are up-to-date and available for inspection.
- c. Enforce the Association's retention schedule i.e. archiving, storage and destruction of obsolete records.
- d. Identify Accurate records system

All members of the SMT including the President & CEO will be evaluated annually to check if their duties and responsibilities are disposed properly and job objectives are met. The Performance Management System being used by the Association for all its employees will be the same tool used in evaluating the performance of the SMT.

E. External Auditor

In compliance with IC Circular No. 29-2009 dated November 10, 2009, TSPI MBI follows the guidelines in selecting external auditors.

1. Only external auditors accredited by the Insurance Commission and included in the top ten (10) of its list of accredited auditing firms shall be engaged.
2. The external auditor shall be changed or the lead and concurring partner shall be rotated every five (5) years or earlier.
3. No external auditor or member of the audit team shall be engaged if any member of their immediate family had or has committed to acquire any direct or indirect financial interest in the Association.
4. The external auditor and the members of the audit team shall not have any claim with the Association.
5. External auditor is not currently engaged nor was engaged during the preceding year in providing the following services to the Association:
 - a. Internal audit functions;
 - b. Information systems design, implementation, and assessment; and
 - c. Other services which could affect his or her independence
6. The external auditor, auditor-in-charge, and audit team members shall adhere to the highest standards of professional conduct and shall carry out their services in accordance with relevant ethical and technical standards, such as the Generally Accepted Auditing Standards (GAAS) and Code of Professional Ethics for Certified Public Accountants.

F. Internal Auditor

The key role of Internal Audit is to provide an independent assurance service to the Board, Audit and Compliance Committee and management, focusing on reviewing the effectiveness of the governance, risk management and control processes that management has put into place. It shall also provide independent and objective evaluation of the Associations financial and operational business activities.

The Internal Audit of TSPI MBI is under the supervision of the Audit and Compliance Committee and reports directly to the BOT. At the beginning of each calendar year, the Internal Audit team will present an audit plan i.e. activities to

be undertaken e.g. operational, financial, information system, hr, payroll, compliance and governance audit.

The roles and responsibilities of Internal Audit are as follows:

1. Evaluate and provide recommendations to help ensure that the Association's risk management, control, and governance systems are functioning as intended.
2. Report identified risk management issues and internal controls deficiencies to the Board's Audit and Compliance Committee and provide recommendations for improving the Association's operations.
3. Evaluate information security and associated risk exposures.
4. Evaluate regulatory compliance program.
5. Evaluate the Association's readiness in case of business interruption.

The head of the Internal Audit must be a Certified Public Accountant (CPA). He must possess the knowledge, skills, and other competencies to examine all areas in which the Association operates. Professional competence as well as continuing training and education shall also be required.

V. Members

A. Membership

The following shall be eligible for membership:

1. At least 18 years of age up to 60 years of age.
2. Clients of Tulay sa Pag-unlad, Inc. (A Microfinance NGO) and members of other organized groups and their respective families.
3. Only those applicants who meet all requirements stated in the prescribed application form shall be eligible for membership.
4. Board of Trustees of Tulay sa Pag-unlad, Inc. (A Microfinance NGO) and TSPI MBI and their respective families.

B. Membership Book

The Secretary of the Association shall keep a book known as "Membership Book" containing the names of the members of the Association, their postal address, birthdate, membership certificate number and date of admission.

C. Certificate of Membership

Every member shall be entitled to a certificate, the form of which shall be prescribed by the BOT, certifying to his membership to the Association. It shall be signed by the President, counter signed by the Secretary and sealed with a corporate seal. The Certificate of Membership shall be issued in consecutive order

from the certificate book of the Association and shall be numbered in the order in which they are issued. Upon the stub of each certificate shall be entered the name of the person owning the certificate, the date of issue and in case of cancellation, the date thereof. The Certificate of membership shall not be transferrable.

D. Membership Dues and Assessment

Each member shall pay a membership due in the amount fixed by the BOT. The dues and contribution shall be used for paying all benefits due to the members. The Association however, may allocate up to twenty percent (20%) of the dues and contribution as general fund to be used for expenses of administration.

E. Equity Value

After three (3) full years of regular membership, each member shall be entitled to receive an equity value equivalent to at least fifty percent (50%) of the total membership dues collected thereon as required by Section 396 of the Insurance Code.

F. Duties and Responsibilities

1. To amend and participate in the deliberation of all matters taken during the general membership meetings.
2. To observe and comply with the By-Laws, rules and regulations that may be promulgated by the Association from time to time.
3. Pay the membership dues on time.
4. Actively participate in the social development services of the Association.
5. To promote the mission and vision of the Association.

G. Rights of a Member

The members of the Association have the following rights:

1. Right to information - members shall have access to any information relating to matters for which the management is accountable. They may also request information about the association's governance, Board members, and partnerships. Important information such as policies and manuals shall be made available to members via the Association's website.
2. Right to nominate and vote - members can nominate and vote on matters relating to the affairs of the Association
 - 2.1 Each member shall be entitled to one vote.
 - 2.2 Each member may vote in person or by proxy which shall be in writing and filed with the Secretary of the Association before the scheduled meeting.

3. Right to participate in all deliberations/meetings of the association.
4. Members, if eligible, have the right to be elected or appointed in the association.

H. Termination of Membership

A member shall cease as such upon death, resignation or removal.

A member may for any reason, may resign or withdraw his membership from the Association by giving notice to the BOT or any of its authorized representative or officers provided that no member shall be allowed to withdraw or terminate his membership during any period in which he has any pending obligation with the Association.

Removal shall take place upon the order of the BOT for any cause deemed by it to be detrimental to the Association or any of its purposes.

Upon termination of a member, the BOT shall declare the member concerned dropped from the membership book.

VI. Annual General Meeting

The Annual General Meeting (AGM) for the members of the Association shall be held on the first Wednesday of May of each year. It must be held in Metro Manila for the purpose of electing members of the BOT and other Officers.

The AGM is a vital component of good governance practice of the Association. It is a venue wherein the members are given information on the result of operation of the Association for the past calendar year and the future plans of the Association. It provides an opportunity for the BOT to share news, challenges, and achievements of the Association.

It is also during the AGM where members exercise their right to vote on certain matters such as election of the board, amendment to the Articles of Incorporation or the By-Laws, and other Association purposes.

Members are encouraged to personally attend personally (or by proxy) the meeting and shall be given the opportunity to ask and receive answers to their questions relating to the Association.

BOT Chair shall preside all the meetings, unless the by-laws provide otherwise.

A. Notice of Meeting

TSPI MBI shall ensure that the Notice of the AGM shall reach all its members through means most efficient and convenient to the members. This shall be announced during the conduct of center meetings and posted in all online platform examples of which are the TSPI website and TSPI FB page.

Said notices must be sent by the Secretary by any formal communication at least thirty (30) days before the date of the AGM. For postponements, at least two (2) week notice is given.

B. Contents of the Notice of Meeting

Notice of the AGM shall state the following:

1. Date, time and place of meeting
2. Agenda for the meeting
3. Proxy Form
4. When attendance, participation, and voting are allowed by remote communication or in absentia, the requirements and procedures to be followed when a member elects either option.
5. When the meeting is for the election of directors or trustees, the requirements and procedure for nomination and election.

C. Agenda

The agenda shall include the following:

1. Call to Order
2. Proof of required notice
3. Determination of Quorum
4. Approval of the Minutes of the most recent regular meeting.
5. BOT and Management Report
 - 5.1 Assessment of the Association's Performance, including any material change in strategy and other business affairs.
 - 5.2 Financial Report, statement on the adequacy of the Association's internal controls or risk management systems, and a statement of all external audit and non-audit fees.
 - 5.3 Social services programs and other programs that would benefit the members.
6. Trustee profiles, attendance report, compensation report, disclosures on self-dealings
7. Profiles of trustees nominated or seeking election or reelection
8. Election of BOT

9. Members' Forum – members are given the opportunity to ask the BOT and receive answers to their questions.

D. Quorum

A majority (2/3) of the members shall constitute a quorum for the transaction of business. All actions during the AGM shall be taken by a majority vote of the members constituting a quorum except when the law requires higher majority.

E. Voting on Motions and Election of Trustees

As stated in the rights of a member, they shall be given access to information, participate in deliberations and vote on all motions, resolutions, amendments and the election of trustees. Voting can either by show of hands or secret ballot (or poll).

The Board Secretary shall ensure that copies of resolutions, profile of BOT candidates and other supporting documents were provided or forwarded to all members for their proper consideration. This shall be provided together with the Notice of the AGM.

The Board Secretary in coordination with TSPI MBI Management shall make all necessary arrangements before the meeting to ensure that counting and tabulation of votes will be done efficiently and accurately. The BOT may also engage the services of an independent body to ensure that voting procedures and standards are adhered to.

Voting forms for the holding of poll on resolutions and election of trustees shall be distributed to the members upon their registration before the meeting starts. The BOT Chair shall ensure that motions or resolutions are thoroughly explained prior to the actual voting. The floor will be open for queries or clarifications from the members and these should be properly addressed and sufficiently discussed before the formal call for a vote.

The BOT Chair shall formally call for a vote and shall announce the manner of voting once there are no longer any queries or clarifications raised. Voting by show of hands can be done. However, if there is a request for a poll or secret ballot for such motions, the body may compel the BOT Chair to call for a poll or secret ballot.

If the voting is by show of hands, the BOT Chair proceeds to ask members voting for, against, or abstaining to raise their hands. The Board Secretary in coordination with TSPI MBI staff or an independent body will be requested to count the votes.

If voting is by poll or secret ballot, the BOT Chair shall request all members to fill up the voting forms which have been issued to them during the registration. If the poll involves proxy votes, the BOT Chair shall first request a full disclosure of the proxy votes and tabulation forms to be used in counting votes before proceeding with actual voting. After all members have voted, they will place their signed ballots in a box marked for this purpose. Actual tallying of votes shall be done so that results are immediately displayed in full view of all members before the adjournment of the AGM is announced.

The Board Secretary shall be the overall in-charge of counting of votes, announce the results including the total votes cast (for, against, abstain) for each motion/resolution and for the result of election for the BOT position.

After the announcement of results, the BOT Chair formally declare:

1. Adoption or rejection of the motion/resolution under consideration; and
2. Result of the election of trustees.

The Board Secretary shall ensure that such results are properly reflected in the minutes of the meeting.

F. Result of the AGM

All resolutions taken up in the AGM and the result of the election of trustees shall be made publicly available one day after the AGM. The results of the vote for each agenda item shall be posted in the Association website.

VII. Stakeholders

A stakeholder is a party that has an interest in the Association and can either affect or be affected by how the Association conducts its business. The Association is committed to protect the welfare of both its internal and external stakeholders by ensuring that business is conducted in a transparent and fair manner.

A. Internal Stakeholders

1. Members

The members of the Association are the reason why TSPI MBI exists. A member is a person who meets the eligibility requirements and comply with the policies of the Association and entitles to all the rights and privileges sets forth in the By-laws of the Association.

The Association is committed to providing the best products and services that would benefit its members.

2. Employees

TSPI MBI needs employees who are motivated, dedicated and results-oriented because employee performance is critical to the overall success of the Association. In order to ensure that employees are well taken care of, the Association has a separate Human Resources Policies. The Association also ensures that all labor practices are in accordance with the Labor Laws and government regulations.

The Association also believes in the importance of investing in training or capacity building. Training program allows the Association to strengthen skills that each employee needs to improve on.

An employee who receives the necessary training can perform his job and this can help the Association achieve its objectives. Aside from this, employees are more likely to feel valued.

Effective controls to protect employees from workplace hazards are also in place. In compliance with the requirements of the Department of Labor and employment (DOLE), the Association drafted the Occupational Health Program. This program aims to protect the safety, health and welfare of all employees and to safeguard them from preventable accidents and illnesses.

The Association also provide Health Insurance to all employees and regularly send information on health safety protocols.

The Association is also committed to protect the welfare of all its employees to any grievances that they may encounter. As part of the Code of Ethics, Whistle Blower Policy, and Employee Discipline Manual, employees are encouraged to report in good faith any instances of suspected or actual commission of fraud, theft, violation of company policies, law, rule or regulation, any misconduct, illegal or unacceptable behavior by its directors, officers and staff that is contrary to the core values of TSPI.

Performance evaluation are conducted on a periodic in accordance with the Performance Evaluation Policy. This is to ensure that all every one contributes to the growth of the Association.

3. Board of Trustees

The Board of Trustees (BOT) is the governing body of the Association. The BOT act in a manner characterized by transparency, accountability, fairness and for the best interest of the members of the Association. The BOT is responsible for providing strategic direction, approving and overseeing the implementation of the Association's policies and procedures, action plans corporate governance and corporate values. They shall also be responsible in overseeing the performance of senior management towards attainment of the Association's short and long term strategic objectives.

B. External Stakeholders

1. Suppliers

Suppliers are those individuals or organizations engaged by the Association for providing services needed for its operations. The Association shall have a standard selection process where objective evaluation of suppliers shall be done. The Supplier Accreditation and Performance Evaluation Policy has provided safety nets for the Association in choosing the third party providers.

2. Regulatory Bodies

The primary goal for a regulatory body is to protect the public by providing organizations with the framework on how they should legally operate. These policies, guidelines and circulars issued by the regulatory agencies promote fairness and increase the level of confidence of the members, implementers and other stakeholders of the microinsurance industry.

As such, TSPI MBI shall ensure full compliance to the rules and regulations set forth by these regulatory bodies i.e. Insurance Commission, Securities and Exchange Commission, Bureau of Internal Revenue, Local Government Units and other government agencies.

3. Community of Operation

TSPI MBI believes that commitment to serve the communities where the Association operates is an integral part of why it exists.

The Sambayanihan Program (social services program of TSPI) is the program through which TSPI MBI commits its efforts to giving back to the community. Such activities also create opportunities for members and employees to volunteer and experience the joy of serving others.

Community involvement through the Sambayanihan Program also provides the Association a platform for showcasing not just its products and services, but also employee commitment and TSPI's core value of Servanthood. Through the Sambayanihan, TSPI MBI is able to build enduring relationships in the communities where the Association operates.

4. Environment

TSPI MBI is committed to protecting the environment by serving as an environment leader in all aspects of operations. The Association acknowledges that reducing the negative impact on the environment is implicit in its vision of seeing people live Christ-centered lives.

In an effort to protect the natural resources and the health and welfare of those the different stakeholders, the Association will:

1. Implement programs and procedures that will ensure minimal impact on the environment.
2. Comply with local and national environmental regulations and other applicable environmental requirements.
3. Minimize generation of waste through source reduction, re-use and recycling.
4. Conserve energy and water and improve the energy and water efficiency of operations.
5. Strive to purchase and utilize environmentally preferable products and services, including those made of recycled content.
6. Continually provide environmental training and information to employees and members to promote environmental awareness.

VIII. Effectivity

This Governance Manual shall take effect immediately upon approval of the Board.

Annex A - BOT Self-Assessment Form

Indicate the Rating for each question using the five-point rating scale (1 to 5) with "5" being the highest rating:

Questions on Trustee's INDIVIDUAL Qualitative Performance	Rating				
	5 Strong	4 Satisfactory	3 Less Than Satisfactory	2 Deficient	1 Critically Deficient
1. Do I understand the mission, vision and objective of the Association?					
2. Are my actions and decisions consistent with the core values of the Association?					
3. Do I promote the Association in the community whenever I had a chance to do so?					
4. Do I actively participate in board meetings, encourage other board members to express their opinions, engage in responsible disclosures and maintain the confidentiality of all board decisions?					
5. Am I able to draw the line between Board and Management responsibilities, by not getting involved in management and operational issues, and exercising diligent oversight on operations?					
6. Do I ensure open lines of communication with senior management and provide adequate opportunity for informal discussion to promote a feeling of connectivity with the Board?					
7. Do I frequently share information about relevant issues with fellow board members and senior management?					
8. Do I take use of training opportunities on corporate governance to enhance my performance as a member of the BOT?					
9. Do I disclose personal interests in transactions and abstain from voting when appropriate being fully aware that my loyalty as a trustee is to the Association?					
10. Do I insist on the high-quality standards of risk management, corporate governance and compliance in the services rendered by the internal and external auditors as well as pursue strict adherence to the bank's Code of Conduct and the Corporate Governance Manual?					

Annex B - Peer Assessment Form

Indicate the Rating for each question using the five-point rating scale (1 to 5) with "5" being the highest rating:

Questions on collective performance of the Board	Rating				
	5 Strong	4 Satisfactory	3 Less Than Satisfactory	2 Deficient	1 Critically Deficient
1. Does the Board have the right mix of characteristics, experiences and skills? Are those characteristics or skills being properly applied to the various issues of the Association?					
2. Does the Board know and understand the Association's values, mission and strategic and business plans, and reflect this understanding on key issues throughout the year?					
3. Does the Board adequately monitor financial indicators throughout the year and understand whether the Association is performing as projected?					
4. Has the Board satisfactorily identified and communicated to management the Board's informational needs, including appropriate benchmarks to monitor results and to identify potential areas of concern regarding performance?					
5. Does the Board exercise due diligence in implementing risk management processes and thoroughly discuss the audit and regulatory examination reports submitted through the Board Audit and Compliance Committee by the internal & external auditors, and regulators?					
6. Does the Board have a system for auditing the other less high-profile risk issues that still have the potential under certain circumstances to influence significantly or negatively the performance of the Association?					
7. Does the Board establish good governance by following the Code of Ethics of the Association, and other behavioral standards for the board, management, employees and members? Does the Board articulate acceptable and unacceptable activities that could potentially result in conflict of interest or unethical conduct?					
8. Are Board meetings conducted in a manner that ensures open communication, meaningful participation and timely resolution of issues?					
9. Are the executive sessions candid and constructive, and conducted in a manner where there can be civil disagreement and critical questioning?					
10. Does the Board meet regularly in accordance with the annual schedule set at the start of the year?					

Annex C - Committee Assessment Form

Questions on collective performance of the Board Committees	Rating				
	5 Strong	4 Satisfactory	3 Less Than Satisfactory	2 Deficient	1 Critically Deficient
Investment Committee					
1. All members attended at least 75% of the meetings					
2. Committee meetings are frequent enough to ensure effective governance.					
3. Does the Committee approve the Association's investment policies, procedures and guidelines and review and monitor the implementation accordingly?					
4. Does the Committee select, monitor and replace third party advisors and consultants of investment for effectiveness in managing the portfolio?					
5. Does the Committee stay current with changes in laws and regulations and approve amendments to the investment portfolio as required?					
Audit and Compliance Committee					
1. All members attended at least 75% of the meetings					
2. Committee meetings are frequent enough to ensure effective governance.					
3. Does the Committee review and approve the audit scope and frequency, receive key audit reports and ensure that senior management is taking necessary corrective actions in a timely manner to address weaknesses, non-compliance with policies, laws and regulations identified by auditors?					
4. Does the Committee monitor and evaluate the adequacy & effectiveness of the Association's internal control system, including financial reporting process, practices and control & information technology security; and provide oversight on the functions of internal & external auditors & compliance officer?					
5. Does the Committee review the financial statements prior to submission to the Board?					
Governance, Nomination and HR Committee					
1. All members attended at least 75% of the meetings					
2. Committee meetings are frequent enough to ensure effective governance.					
3. Does the Committee review and evaluate the qualifications of all persons nominated to the Board of Trustees, oversees the nomination & election process?					

4. Is the Committee responsible for setting human resource standards in the areas of recruitment, training and development, performance appraisal and merit program, employee relations, retirement and separation from the Association?					
5. Does the Committee observe the highest standard in good corporate governance and best practice? Does the Committee ensure that the Association embraces its principles and guidelines by aligning it with existing policies and processes?					
RPT Committee					
1. All members attended at least 75% of the meetings					
2. Committee meetings are frequent enough to ensure effective governance.					
3. Does the Committee review and approve policy guidelines and implementing procedures in handling RPTs by ensuring effective compliance with laws, rules and regulations, accounting standards and global best practices?					
4. Does the Committee evaluate on an ongoing basis existing relations between and among businesses and counterparties to ensure that all related parties are continuously identified; RPTs are monitored; and subsequent changes in relationships with counterparties (from non-related to related and vice versa) are captured?					
5. Does the Committee assist the Board of Trustees oversight functions in monitoring and managing potential conflicts of interest of board members, management, and other stakeholders?					
Risk Oversight Committee					
1. All members attended at least 75% of the meetings					
2. Committee meetings are frequent enough to ensure effective governance.					
3. Does the Committee perform regular reviews of the Association's exposures based on risk category i.e., operational, legal, financial, reputational, technology, information security, compliance market, liquidity, data privacy, regulatory capital, consumer protection etc.) and recommend the necessary mitigation and other management actions to limit, control or monitor such exposures?					
4. Does the committee assess the probability of each risk becoming reality and ensure that the system remains effective and immediate corrective actions are taken whenever limits are breached?					
5. Does the Committee review the Association's risk management framework and recommend appropriate policies and standards to the BOT for approval?					
Executive Committee					
1. All members attended at least 75% of the meetings					

2. Committee meetings are frequent enough to ensure effective governance.					
3. Does the Committee review major issues that the Association faces and makes preliminary decisions for discussion and voting at the next full board meeting.					
4. Does the Committee ensure that every detail of the rules, approved plans, operations and policies of the Association are carried out faithfully?					
5. Does the Committee maintain good governance practices in their decision making?					

Record of Trustee's Attendance of Board Meetings	5 Strong	4 Satisfactory	3 Less Than Satisfactory
<p>As certified by the Corporate Secretary Office, for the period January - December the undersigned participated in ____ out of a total ____ Board Meetings (____ Regular, ____ Special and ____ Organizational).</p> <p><u>Board Attendance weight are as follows:</u></p> <p>At least 90% of all Board Meetings = 5 points (Strong)</p> <p>At least 50% of all Board Meetings (25% physically present) = 4 points (Satisfactory)</p> <p>Below 50% of all Board Meetings = 3 points (Less than Satisfactory)</p> <p><i>Absence of more than 50% of all regular & special meetings is a ground for disqualification in the succeeding election.</i></p>			

Total Self-Assessment: **Score x 70%** _____
Total Peer Assessment: **Score x 70%** _____
Committee Assessment: **Actual Score** _____
Attendance: **Actual Score** _____
TOTAL **100%**

Signature over Printed Name / Date