

**ANNUAL CORPORATE GOVERNANCE REPORT
OF
BUREAU OF JAIL MANAGEMENT AND PENOLOGY MUTUAL BENEFIT ASSOCIATION, INC**

(Name of Company)

1. For the fiscal year ended **2020**
2. Certificate Authority Number / License No. **2019-2-R**
3. **Quezon City, Philippines**
Province, Country or other jurisdiction of incorporation or organization
4. **3rd Floor, BJMP Building 144 Mindanao Avenue,
Bahay Toro Quezon City** **1106**
Address of principal office Postal Code
5. Company's telephone number, including area code
(02) 8926-6963
6. Company's official website **www.bjmpmbai.com**
7. Former name, former address, and former fiscal year, if changed since last report. **N/A**

ANNUAL CORPORATE GOVERNANCE REPORT			
COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION	
The Board's 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 is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.	Compliant	Provide information or link/reference to a document containing information on the following: 1. Academic qualifications, industry knowledge, professional experience, expertise and relevant trainings of directors 2. Qualification standards for directors to facilitate the selection of potential nominees and to serve as benchmark for the evaluation of its performance	2020 Annual Report, Page 22
2. Board has an appropriate mix of competence and expertise.	Compliant		BJMPMBAI Code of Corporate Governance, Article 4, B (Qualifications of Directors)
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		Trainings and seminar attended
Recommendation 1.2			
1. Board is composed of a majority of non-executive directors.	Compliant	Identify or provide link/reference to a document identifying the directors and the type of their directorships	2020 Annual Report, Pages 24 and 25
Recommendation 1.3			
1. Company provides in its Board Charter or Manual on Corporate Governance a policy on training of directors.	Non-compliant,	Provide link or reference to the company's Board Charter or Manual on Corporate Governance relating to its policy on training of directors.	Policy on training of Board of Directors is a work in progress to be completed within the year

2. Company provides in its Board Charter or Manual on Corporate Governance an orientation program for first time directors.	Non-compliant	Provide information or link/reference to a document containing information on the orientation program and trainings of directors for the previous year, including the number of hours attended and topics covered.	While the Manual on Corporate Governance does not specify an orientation program for first time Directors, in practice, they are given extensive orientation on their roles, duties and responsibilities before and during board meetings following their election. BJMP MBAI shall incorporate this in its Manual within the year to institutionalize this corporate practice.
3. Company has relevant annual continuing training for all directors.	Compliant		Certificates of trainings of Directors
Recommendation 1.4			
1. Board has a policy on board diversity.	Non-Compliant	Provide information on or link/reference to a document containing information on the company's board diversity policy. Indicate gender composition of the board.	Policy on the matter will be prepared following the existing practice. Male and female
Recommendation 1.5			
1. Board is assisted in its duties by a Corporate Secretary.	Compliant	Provide information on or link/reference to a document containing information on the Corporate Secretary, including his/her name, qualifications, duties and functions.	General Information Sheet and BJMPMBAI By-laws
2. Corporate Secretary is a separate individual from the Compliance Officer.	Compliant		2020 Annual Report, Pages 24 to 25
3. Corporate Secretary is not a member of the Board of Directors.	Non-Compliant		The company will comply.

4. Corporate Secretary attends training/s on corporate governance.	Compliant	Provide information or link/reference to a document containing information on the corporate governance training attended, including number of hours and topics covered.	Certificates of trainings attended
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Recommendation 1.6			
1. Board is assisted by a Compliance Officer.	Compliant	Provide information on or link/reference to a document containing information on the Compliance Officer, including his/her name, position, qualifications, duties and functions.	Board Resolution No. 19-19-21, Series of 2019
2. Compliance Officer has a rank of Vice President or an equivalent position with adequate stature and authority in the corporation.	Compliant		Approved Organizational Structure
3. Compliance Officer is not a member of the board.	Compliant		Approved Organizational Structure
4. Compliance Officer attends training/s on corporate governance annually.	Compliant	Provide information on or link/reference to a document containing information on the corporate governance training attended, including number of hours and topics covered	Certificate of Participation
Principle 2: The fiduciary roles, responsibilities and accountabilities of the Board as provided under the law, the company's articles and by-laws, and other legal pronouncements and guidelines should be clearly 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	Provide information or reference to a document containing information on how the directors performed their duties (can include board resolutions, minutes of meeting)	Minutes of Board Meetings and Approved Board Resolutions of 2020
Recommendation 2.2			
1. Board oversees the development, review and approval of the company's business objectives and strategy.	Compliant	Provide information or link/reference to a document containing information on how the directors performed this function (can include board resolutions, minutes of meeting)	Minutes of Board Meetings and Approved Board Resolutions of 2020
2. Board oversees and monitors the implementation of the company's business objectives and strategy in order to sustain the company's long-term viability and strength..	Compliant	Indicate frequency of review of business objectives and strategy	Minutes of Board Meetings and Approved Board Resolutions of 2020

Recommendation 2.3			
1. Board is headed by a competent and qualified Chairperson.	Compliant	Provide information or reference to a document containing information on the Chairperson, including his/her name and qualifications	2020 Annual Report, Page 24
Recommendation 2.4			
1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	Non-Compliant	Disclose and provide information or link/reference to a document containing information on the company succession planning and retirement policies and programs, and its implementation	Succession Planning Program is a work in progress to be completed within the year
2. Board adopts a policy on the retirement for directors and key officers.	Non-Compliant		Policy on Retirement for Directors and Key Officers is a work in progress to be completed within the year
Recommendation 2.4			
1. Board formulates and adopts a policy specifying the relationship between remuneration and performance of key officers and board members.	Non-Compliant	Provide information on or link/reference to a document containing information on the company's remuneration policy and its implementation, including the relationship between remuneration and performance.	Board Members are not allowed to receive compensation as per BJMPMBAI By-laws, Article XII, Section 3.
2. Board aligns the remuneration of key officers and board members with long-term interests of the company.	Non-Compliant		
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	Non-Compliant		

Recommendation 2.6			
1. Board has a formal and transparent board nomination and election policy.	Compliant	<p>Provide information or reference to a document containing information on the company's nomination and election policy and process and its implementation, including the criteria used in selecting new directors, how the shortlisted candidates and how it encourages nominations from shareholders.</p> <p>Provide proof if minority shareholders have a right to nominate candidates to the board.</p> <p>Provide information if there was an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.</p>	Latest Guidelines on Election
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	Non-Compliant		Board Nomination and Election Policy is not incorporated in the Manual on Corporate Governance and will be incorporated before the end of the year.
3. Board nomination and election policy includes how the company accepts nominations from minority shareholders.	Compliant		Board Nomination and Election Policy is incorporated in the latest Election Guidelines. BJMPMBAI does not have either majority or minority shareholders being a non-stock corporation.
4. Board nomination and election policy includes how the board reviews nominated candidates.	Compliant		Board Nomination and Election Policy is governed by the By-Laws which does not include board review of nominated candidates being a General Assembly-directed activity. Board review is impossible because nomination is extemporaneous and done on the floor. As a matter of exception, nominees for Independent Director goes through a qualifying process conducted by a Nomination Committee as mandated by relevant SEC guidelines incorporated in the latest Election Guidelines.
5. Board nomination and election policy includes an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.	Compliant		The processes in the nomination and election, except the replacement of a director due to an exigency, is executed by an election committee designated by the Board and guided by the By-Laws. Hence no assessment is done on the effectiveness of the Board concerning the aforementioned processes. On the other hand, replacement of a director based on exigency is also specifically governed by the By-laws. Board Nomination and Election Policy is incorporated in the latest Election Guidelines
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	Compliant		The Board strictly adheres to the rules and processes governing qualifications and disqualifications of directors as specifically provided under existing laws,

			and the Constitution and By-laws of the Association to ensure that the quality of directors elected to office are consistent with the strategic directions of the Association. Guidelines on Election
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.	Non-Compliant	Provide information on or reference to a document containing the company's policy on related party transaction, including policy on review and approval of significant RPTs	Policy Governing RPT transactions is a work in progress to be completed within the year
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	Non-Compliant	Identify transactions that were approved pursuant to the policy.	Policy Governing RPT transactions is a work in progress to be completed within the year
3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	Non-Compliant		Policy Governing RPT transactions is a work in progress to be completed within the year
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	Provide information on or reference to a document containing the Board's policy and responsibility for approving the selection of management. Identify the Management team appointed.	BJMPMBAI Code of Corporate Governance Approved Organizational Structure
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	Provide information on or reference to a document containing the Board's policy and responsibility for assessing the performance of management. Provide information on the assessment process and indicate frequency of assessment of performance.	Performance Evaluation Form for the Management approved by the Board in 2020

Recommendation 2.9			
1. 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	Provide information on or link/reference to a document containing the Board's performance management framework for management and personnel.	The Performance Evaluation Sheet for Rank and File was approved by the Board in 2020
2. 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		Performance Evaluation Forms

Recommendation 2.10			
1. Board oversees that an appropriate internal control system is in place.	Compliant	Provide information on or link/reference to a document showing the Board's responsibility for overseeing that an appropriate internal control system is in place and what is included in the internal control system	Internal Control Manual
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	Compliant		Internal Control Manual
3. Board approves the Internal Audit Charter.	Non-Compliant	Provide reference or link to the company's Internal Audit Charter	Internal Audit Charter will be completed within the year
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	Provide information on or link/reference to a document showing the Board's oversight responsibility on the establishment of a sound enterprise risk management framework and how the board was guided by the framework.	ERM framework is still for development
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	Provide proof of effectiveness of risk management strategies, if any.	ERM framework is still for development
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	Provide link to the company's website where the Board Charter is disclosed.	BJMPMBAI By-Laws and Good Governance Manual
2. Board Charter serves as a guide to the directors in the performance of their functions.	Compliant		BJMPMBAI By-Laws and Good Governance Manual
3. Board Charter is publicly available and posted on the company's website.	Compliant		BJMPMBAI By-Laws and Good Governance Manual

Principle 3: Board committees should be set up to the extent possible to support the effective performance of the Board’s functions, 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	Provide information or link/reference to a document containing information on all the board committees established by the company.	List of Committees
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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	Provide information or link/reference to a document containing information on the Audit Committee, including its functions. Indicate if it is the Audit Committee’s responsibility to recommend the appointment and removal of the company’s external auditor.	Manual on Good Governance, Article IV-H (i)
2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.	Compliant	Provide information or link/reference to a document containing information on the members of the Audit Committee, including their qualifications and type of directorship.	2020 Annual Report, Page 22
3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.	Compliant	Provide information or link/reference to a document containing information on the background, knowledge, skills, and/or experience of the members of the Audit Committee.	2020 Annual Report, Page 22
4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	Compliant	Provide information or link/reference to a document containing information on the Chairman of the Audit Committee	2020 Annual Report, Page 22

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.	Non-Compliant	Provide information or reference to a document containing information on the Corporate Governance Committee, including its functions Indicate if the Committee undertook the process of identifying the quality of directors aligned with the company's strategic direction, if applicable.	Work in progress to be completed within the year
2. Corporate Governance Committee is composed of at least three members, majority of whom should be independent directors.	Non-Compliant	Provide information or link/reference to a document containing information on the members of the Corporate Governance Committee, including their qualifications and type of directorship.	Work in progress to be completed within the year
3. Chairman of the Corporate Governance Committee is an independent director.	Non-Compliant	Provide information or link/reference to a document containing information on the Chairman of the Corporate Governance Committee.	Work in progress to be completed within the year
Recommendation 3.4			
1. Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness.	Non-Compliant	Provide information or link/reference to a document containing information on the Board Risk Oversight Committee (BROC), including its functions	List of Committees Existing Risk Management Committee will be replaced by the newly created BROC
2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	Non-Compliant	Provide information or link/reference to a document containing information on the members of the BROC, including their qualifications and type of directorship	List of Committees Existing Risk Management Committee will be replaced by the newly created BROC
3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.	Non-Compliant	Provide information or link/reference to a document containing information on the Chairman of the BROC	Existing Risk Management Committee will be replaced by the newly created BROC

4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.	Non-Compliant	Provide information or link/reference to a document containing information on the background, skills, and/or experience of the members of the BROC.	Existing Risk Management Committee will be replaced by the newly created BROC
Recommendation 3.5			
1. The Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.	Non-Compliant	Provide information or link/reference to a document containing information on the Related Party Transactions (RPT) Committee, including its functions.	For development
2. RPT Committee is composed of at least three non-executive directors, majority of whom should be independent, including the Chairman.	Non-Compliant	Provide information or link/reference to a document containing information on the members of the RPT Committee, including their qualifications and type of directorship.	For development
Recommendation 3.6			
1. All established committees have a Committee Charters stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.	Compliant	Provide information on or link/reference to the company's committee charters, containing all the required information, particularly the functions of the Committee that is necessary for performance evaluation purposes.	Good Governance Manual and List of Committees
2. Committee Charters provide standards for evaluating the performance of the Committees.	Compliant		Good Governance Manual and List of Committees
3. Committee Charters were fully disclosed on the company's website.	Compliant	Provide link to company's website where the Committee Charters are disclosed.	Good Governance Manual and List of Committees
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-/videoconferencing conducted in accordance with the rules and regulations of the Commission.	Compliant	Provide information or link/reference to a document containing information on the process and procedure for tele/videoconferencing board and/or Committee meetings. Provide information or link/reference to a document containing information on the attendance and participation of directors to Board, Committee and shareholders' meetings.	Minutes of Board Meetings which incorporates the attendance and pictorials on file
2. The directors review meeting materials for all Board and Committee meetings.	Compliant		Minutes of Board Meetings
3. The directors asks the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	Compliant	Provide information or link/reference to a document containing information on any questions raised or clarification/ explanation sought by the directors.	Minutes of Board Meetings
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	Disclose if the company has a policy setting the limit of board seats that a non-executive director can hold simultaneously. Provide information or reference to a document containing information on the directorships of the company's directors in both listed and non-listed companies.	All non-Executive Directors serve as directors only at BJMPMBAI, an IC regulated entity.
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.	Non-Compliant	Provide copy of written notification to the board or minutes of board meeting wherein the matter was discussed.	Policy for development

Principle 5: The board should endeavor to exercise an objective and independent judgment on all corporate affairs.			
Recommendation 5.1			
1. The Board is composed of at least twenty percent (20%) independent directors.	Compliant	Provide information or link/reference to a document containing information on the number of independent directors in the board.	Election Rules for Independent Directors with Nomination Committee
Recommendation 5.2			
1. The independent directors possess all the necessary qualifications and none of the disqualifications to hold the position.	Compliant	Provide information or link/reference to a document containing information on the qualifications of the independent directors.	Election Rules for Independent Directors with Nomination Committee
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 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	Provide information or link/reference to a document showing the years IDs have served as such.	Certification of Cumulative Service of Independent Directors
2. The company bars an independent director from serving in such capacity after the term limit of nine years.	Compliant	Provide information or link/reference to a document containing information on the company's policy on term limits for its independent director.	Election Rules for Independent Directors

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 seek shareholders' approval during the annual shareholders' meeting.	Compliant	Provide proof on submission of a formal written justification to the Insurance Commission and proof of shareholders' approval during the annual shareholders' meeting.	BJMPMBAI will ensure that formal request will be submitted to IC for the purpose
Recommendation 5.4			
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	Compliant	Identify the company's Chairman of the Board and Chief Executive Officer.	Chairman Arturo W. Alit CEO/President Armando M. Llamasares
2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	Compliant	Provide information or link/reference to a document containing information on the roles and responsibilities of the Chairman of the Board and Chief Executive Officer. Identify the relationship of Chairman and CEO.	BJMPMBAI By-Laws
Recommendation 5.5			
1. If the Chairman of the Board is not an independent director or where the roles of Chairman and CEO are being held by one person, the Board should designate a lead director among the independent directors.	Compliant	Provide information or link/reference to a document containing information on a lead independent director and his roles and responsibilities, if any. Indicate if Chairman is independent.	Chairman is not an independent director. Chairman and CEO positions are held by different persons. General Information Sheet
Recommendation 5.6			
1. Directors with material interest in a transaction affecting the corporation should abstain from taking part in the deliberations for the same.	Compliant	Provide proof of abstention, if this was the case.	Considering that the association is non-stock and non-profit organization there will be no case of this nature.

Recommendation 5.7			
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	Provide proof and details of said meeting, if any. Provide Information on the frequency and attendees of meetings.	Audit Committee Minutes of Meeting
2. The meetings are chaired by the lead independent director.	Compliant		Audit Committee
Principle 6: The best measure of the Board's effectiveness is 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.	Non-Compliant	Provide proof of annual assessments conducted for the whole board, the individual members, the Chairman and the Committees.	BJMPMBAI will comply within the year
2. The performance of the Chairman is assessed annually by the Board.	Non-Compliant		
3. The performance of the individual member of the Board is assessed annually by the Board.	Non-Compliant		
4. The performance of each committee is assessed annually by the Board.	Non-Compliant		
5. Every three years, the assessments are supported by an external facilitator.	Non-Compliant	Identify the external facilitator and provide proof of use of an external facilitator.	

Recommendation 6.2			
1. Board has in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, individual directors and committees.	Non-Compliant	Provide Information or link/reference to a document containing Information on the system of the company to evaluate the performance of the board, individual directors and committees, Including a feedback mechanism from shareholders.	BJMPMBAI will comply within the year
2. The system allows for a feedback mechanism from the shareholders.	Non-Compliant		
Principle 7: Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.			
Recommendation 7.1			
1. Board adopts a Code of Business Conduct and Ethics, which provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of the company.	Non-Compliant	Provide information on or link/reference to the company's Code of Business Conduct and Ethics.	To finalize the BJMPMBAI Code of Conduct and Ethics
2. The Code is properly disseminated to the Board, senior management and employees.	Non-Compliant	Provide information on or discuss how the company disseminated the Code to its Board, senior management and employees.	To finalize the BJMPMBAI Code of Conduct and Ethics
3. The Code is disclosed and made available to the public through the company website.	Non-Compliant	Provide a link to the company's website where the Code of Business Conduct and Ethics is posted / disclosed.	To finalize the BJMPMBAI Code of Conduct and Ethics

Recommendation 7.2			
1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	Non-Compliant	Provide proof of implementation and monitoring of compliance with the Code of Business Conduct and Ethics and internal policies.	To finalize the BJMPMBAI Code of Conduct and Ethics
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.		Indicate who are required to comply with the Code of Business Conduct and Ethics and any findings on non-compliance.	
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. 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	Provide information on or link/reference to the company's disclosure policies and procedures including reports distributed/made available to shareholders and other stockholders.	2020 Annual Report
Recommendation 8.3			
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	Provide link or reference to the directors' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended.	2020 Annual Report

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	Provide link or reference to the key officers' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended.	2020 Annual Report
Recommendation 8.4			
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	Disclose or provide link/reference to the company policy and practice for setting board remuneration.	2020 Annual Report
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 ASEAN Corporate Governance Scorecard (ACGS) and the Revised Corporation Code.	Compliant	Disclose or provide link/reference to the company policy and practice for determining executive remuneration.	2020 Annual Report
3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	Compliant	Provide breakdown of director remuneration and executive compensation, particularly the remuneration of the CEO.	Certificate of Compensation
Recommendation 8.5			
1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions.	Non- Compliant	Disclose or provide reference/link to company's RPT policies Indicate if the director with conflict of interest abstained from the board discussion on that particular transaction.	Policy on the Matter for development

<p>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 majority vote of the stockholders in the annual stockholders' meeting during the year.</p>	<p>Non-Compliant</p>	<p>Provide information on all RPTs for the previous year or reference to a document containing the following information on all RPTs:</p> <ol style="list-style-type: none"> 1. Name of the related counterparty; 2. Relationship with the party; 3. Transaction date; 4. Type/nature of transaction; 5. Amount or contract price; 6. Terms of the transaction; 7. Rationale for entering into the transaction; 8. The required approval (i.e., names of the board of directors approving, names and percentage of shareholders who approved) based on the company's policy; and 9. Other terms and conditions. 	<p>For development of policy.</p>
<p>Recommendation 8.7</p>			
<p>1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).</p>	<p>Compliant</p>	<p>Provide link to the company's website where the Manual on Corporate Governance is posted.</p>	<p>BJMPMBAI website</p>
<p>2 Company's MCG is posted on its company website.</p>	<p>Compliant</p>		<p>Code of Corporate Governance</p>
<p>Principle 9: The company should establish standards for the appropriate selection of an external auditor, and exercise effective oversight of the same to strengthen the external auditor's independence and enhance audit quality.</p>			

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	Provide Information or link/reference to a document containing information on the process for approving and recommending the appointment, reappointment, removal and fees of the company's external auditor.	Minutes of Meetings
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	Indicate the percentage of shareholders that ratified the appointment, reappointment, removal and fees of the external auditor.	Minutes of Meetings
3. For 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	Provide information on or link/reference to a document containing the company's reason for removal or change of external auditor.	Audit Committee Charter and Plan
Recommendation 9.2			
1. Audit Committee Charter includes the Audit Committee's responsibility on: <ul style="list-style-type: none"> 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	Provide link/reference to the company's Audit Committee Charter.	Audit Committee Charter and Plan
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	Provide link/reference to the company's Audit Committee Charter.	Audit Committee Charter and Plan

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	Disclose the nature of non-audit services performed by the external auditor, if any.	No non-audit services of this nature for this year.
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.	Non-Compliant	Provide link or reference to guidelines or policies on non-audit services.	For development of guidelines
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.	Non-compliant	Disclose or provide link on the company's policies and practices on the disclosure of non-financial information, including EESG issues.	For development of policy
2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	Non-Compliant	Provide link to Sustainability Report, if any. Disclose the standards used.	To adopt a globally recognized standard/framework.

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	Disclose and identify the communication channels used by the company (i.e., website, Analyst’s briefing, Media briefings /press conferences, Quarterly reporting, Current reporting, etc.). Provide links, if any.	www.bjmpmbai.com
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Internal Control System and Risk Management Framework

Principle 12: To ensure the integrity, transparency and proper governance in the conduct of its affairs, the company should have a strong and effective internal control system and enterprise risk management framework.

Recommendation 12.1

1. Company has an adequate and effective internal control system in the conduct of its business.	Compliant	List quality service programs for the internal audit functions. Indicate frequency of review of the internal control system.	A continuing activity of the Internal Auditor. Internal Control Manual
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2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.	Non-Compliant	<p>Identify international framework used for Enterprise Risk Management.</p> <p>Provide information or reference to a document containing information on:</p> <ol style="list-style-type: none"> 1. Company's risk management procedures and processes 2. Key risks the company is currently facing 3. How the company manages the key risks <p>Indicate frequency of review of the enterprise risk management framework.</p>	For development
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	Disclose if the internal audit is in-house or outsourced. If outsourced, identify external firm.	With in-house internal auditor
Recommendation 12.3			
1. The company has a qualified Chief Audit Executive (CAE) appointed by the Board.	Compliant	Identify the company's Chief Audit Executive (CAE) and provide information on or reference to a document containing his/her responsibilities.	Ms Ruby Ganob, C.P.A.
2. CAE oversees and is responsible for the internal audit activity of the organization, including that portion that is outsourced to a third party service provider.	Compliant		Job Description

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	Identify qualified independent executive or senior management personnel, if applicable.	Presence of in-house internal auditor
Recommendation 12.4			
1. The company has a separate risk management function to identify, assess and monitor key risk exposures.	Non-Compliant	Provide information on company's risk management function.	For development
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	Identify the company's Chief Risk Officer (CRO) and provide information on or reference to a document containing his/her responsibilities and qualifications/background.	For designation of CRO within the year
2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	Non-Compliant		For designation of CRO within the year
Cultivating s 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	Provide link or reference to the company's Manual on Corporate Governance where shareholders' rights are disclosed.	Manual on Corporate Governance
2. Board ensures that basic shareholder rights are disclosed on the company's website.	Compliant	Provide link to company's website	Manual on Corporate Governance
Recommendation 13.2			

<p>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.</p>	<p>Compliant</p>	<p>Indicate the number of days before the annual stockholders' meeting or special stockholders' meeting when the notice and agenda were sent out</p> <p>Indicate whether shareholders' approval of remuneration or any changes therein were included in the agenda of the meeting.</p> <p>Provide link to the Agenda included in the company's Information Statement</p>	<p>Notices of Annual General Membership Meetings</p>
<p>Recommendation 13.3</p>			
<p>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.</p>	<p>Non-Compliant</p>	<p>Provide information or reference to a document containing information on all relevant questions raised and answers during the ASM and special meeting and the results of the vote taken during the most recent ASM/SSM.</p>	<p>Last election was in 2018 Annual General Membership Meeting.</p> <p>BJMPMBAI By-laws, Article XII, Section 1</p>
<p>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.</p>	<p>Non-Compliant</p>	<p>Provide link to minutes of meeting in the company website.</p> <p>Indicate voting results for all agenda items, including the approving, dissenting and abstaining votes.</p> <p>Indicate also if the voting on resolutions was by poll.</p> <p>Include whether there was opportunity to ask question and the answers given, if any.</p>	<p>We will comply in the future, for this is a new requirement.</p>
<p>Recommendation 13.4</p>			

1. Board has an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner	Non-Compliant	Provide details of the alternative dispute resolution made available to resolve intra-corporate disputes.	Presently under the drawing table
2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	Non-Compliant	Provide link/reference to where it is found in the Manual on Corporate Governance.	For inclusion in the Manual on Corporate Governance

Duties to Stakeholders

Principle 14: The rights of 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	Identify the company's shareholder and provide information or reference to a document containing information on the company's policies and programs for its stakeholders.	BJMPMBAI Member's Handbook
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Recommendation 14.2

1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	Compliant	Identify policies and programs for the protection and fair treatment of company's stakeholders.	BJMPMBAI Member's Handbook
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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.	Non-Compliant	Provide the contact details (i.e., name of contact person, dedicated phone number or e-mail address, etc.) which stakeholders can use to voice their concerns and/or complaints for possible violation of their rights. Provide information on whistleblowing policy, practices and procedures for stakeholders.	To establish whistleblowing policy
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 in its governance.	Non-Compliant	Provide information on or link/reference to company policies, programs and procedures that encourage employee participation.	To develop awards and incentives policies
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.	Non-Compliant	Identify or provide link/reference to the company's policies, programs and practices on anti-corruption.	To develop company policies and programs on anti-corruption.
2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	Non-Compliant	Identify how the board disseminated the policy and program to employees across the organization.	To develop company policies and programs on anti-corruption.
Recommendation 15.3			
1. Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation.	Non-Compliant	Disclose or provide link/reference to the company whistle-blowing policy and procedure for employees. Indicate if the framework includes	To establish whistleblowing policy

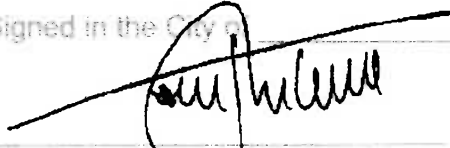
whistle

<p>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.</p>	<p>Non-Compliant</p>	<p>procedures to protect the employees from retaliation.</p> <p>Provide contact details to report any illegal or unethical behavior.</p>	<p>To establish whistleblowing policy</p>
<p>3. Board supervises and ensures the enforcement of the whistleblowing framework.</p>	<p>Non-Compliant</p>	<p>Provide information on how the board supervised and ensured enforcement of the whistleblowing framework, including any incident of whistleblowing.</p>	<p>To establish whistleblowing policy</p>
<p>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.</p>			
<p>Recommendation 16.1</p>			
<p>1. Company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.</p>	<p>Non-Compliant</p>	<p>Provide information or reference to a document containing information on the company's community involvement and environment-related programs.</p>	<p>To plan and conduct environment-related programs to contribute to the advancement of the society where it operates.</p>

CERTIFICATION

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

Signed in the City of _____ on the _____ of _____ 20____



CHAIRMAN OF THE BOARD
Signature over printed name

W. A. Cue



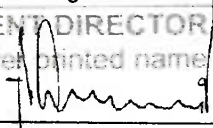
PRESIDENT/CEO
Signature over printed name

CAROLINA C. BOENIGER

CORPORATE SECRETARY
Signature over printed name

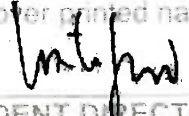
ROYALTY L. MOYNA

INDEPENDENT DIRECTOR
Signature over printed name



INDEPENDENT DIRECTOR
Signature over printed name

CORPORATE GOVERNANCE
COMPLIANCE OFFICER
Signature over printed name



INDEPENDENT DIRECTOR
Signature over printed name

SUBSCRIBED AND SWORN to before me this _____ day of _____, 20____, 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
1.			
2.			
3.			
4.			
5.			
6.			

NOTARY PUBLIC

Doc. No. _____
Page No. _____
Book No. _____
Series of 20 _____