PPSTA Philippine Public School Teachers Association
245 Banawe St., Quezon City, Philippines, 1114 Telefax: (02) 988-1444 Website: ppsta.net/2017
Text Supprt: 0918-5448046 / 0917-6556827 E-mail: support@ppsta.com
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"Bayani ka, gurong Pilipino. Ang PPSTA, kumakalinga sa iyo."

23 June 2026

ATTY. REYNALDO AVERILLA REGALADO
Insurance Commissioner
Office of the Insurance Commission
1071 United Nations Avenue
Ermita, Manila

Subject: **Submission of PPSTA 2023 Annual Corporate Governance Report**

Dear Commissioner Regalado,

In accordance with Insurance Commission Circular Letter No. 2020-72 and CL No. 2021-36, we have provided two physical copies of the PPSTA 2023 Annual Corporate Governance Report (ACGRs) that have been NOTARIZED and are COMPLETE. Additionally, as mentioned in the Circular Letter, all documents that need to be submitted will be uploaded to our company's official website at www.ppsta.net.

Respectfully submitted.

Very truly yours,

[redacted]

ARTURO D. CAÑO, JR. MBA
Compliance Officer

ANNUAL CORPORATE GOVERNANCE REPORT

OF

PHILIPPINE PUBLIC SCHOOL TEACHERS ASSOCIATION, INC. (PPSTA)

1. For the calendar year ended ………………………………. December 31, 2023

2. Certificate Authority Number …………………………….. Mutual Benefit Association's License ***Lic. No. 2023-02-R***

3. Province, Country or other jurisdiction of incorporation or organization ………………………………………………. Metro Manila, NCR, Philippines

4. Address of Principal Office, Postal Code ………………… # 245 Banawe St., Bldg. 2, Brgy. Lourdes, Quezon Ave., Quezon City, 1114

5. Company's telephone number, including area code ………………………………………. (02) 8988-1400

6. Company's official website ………………………………. www.ppsta.net

7. Former name, former address, and former fiscal year, if changed since last report ……………………………….. Not Applicable

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.	PROFILE OF THE BOARD OF TRUSTEES AT PPSTA.pdf The profile of the PPSTA Board of Trustees outlines the professional backgrounds, expertise, and educational qualifications of the current members serving on the National Board of Trustees and various PPSTA committees. PPSTA - RRAs & NRA 2024.pdf The document dated October 29, 2024, establishes the guidelines for the 2024 Regional Representative Assemblies (RRAs) and the National Representative Assembly (NRA)/Election.
2. Board has an appropriate mix of competence and expertise.	COMPLIANT		
3. Directors remain qualified for their positions individually and collectively to enable them to fulfil their roles and responsibilities and respond to the needs of the organization.	COMPLIANT		
Recommendation 1.2			
1. Board is composed of a majority of non-executive directors.	COMPLIANT	Identify or provide link/reference to a document identifying the directors and the type of their directorships.	PROFILE OF THE BOARD OF TRUSTEES AT PPSTA.pdf PPSTA Annual Report 2025, pages 35-38 Posted in the official company website on June 10, 2026.
Recommendation 1.3			

1. Company provides in its Board Charter or Manual on Corporate Governance a policy in training of directors.	COMPLIANT	Provide link or reference to the company's Board Charter or Manual on Corporate Governance relating to its policy on training of directors.	CORPORATE GOVERNANCE MANUAL 2017, page 10. The 2017 Corporate Governance Manual establishes the structural and ethical framework for the Philippine Public School Teachers Association (PPSTA) to enhance institutional value, transparency, and strategic management.
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.	
3. Company has relevant annual continuing training for all directors.	NON-COMPLIANT		
Recommendation 1.4			
1. Board has a policy on board diversity.	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.	The Board diversity and composition policy is detailed in **Article VII, Section 2** of the Amended By-Laws 2025 (page 10). This section outlines that the Board of Trustees is composed of: • Regional Representation: One representative from each administrative region (ensuring geographic diversity). • Independent Representation: Three independent trustees and one independent trustee appointed by the President (ensuring professional/independent diversity).
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.	CORPORATE SECRETARY.pdf The Corporate Secretary Profile for **Atty. Marianne A. Dilag** outlines her qualifications and professional background: • Role: Corporate Secretary and Non-Executive Director. • Education: Juris Doctor from Saint Louis University (2018). • Professional Experience: ◦ **Legal & Administrative:** Currently serves as Attorney III at DepEd CALABARZON
2. Corporate Secretary is a separate individual from the Compliance Officer.	COMPLIANT		
3. Corporate Secretary is not a member of the Board of Directors.	COMPLIANT		

4. Corporate Secretary attends training/s on corporate governance.	NON-COMPLIANT	Provide information or link/reference to a document containing information on the corporate governance training attended, including number of hours and topics covered.	(2022–Present) and as a Solo Practitioner (Litigation Lawyer) at Dilag Law Office (2020–Present). Previously held positions as Executive Assistant III (2022) and Senior Technical Assistant III (2019) at DepEd. ● **Finance & Audit:** Prior experience includes roles as a Junior Accountant at Puregold Price Club Inc. (2014) and Internal Auditor at Universal Storefront Services Corp. (2013). ● **Training & Expertise:** Possesses a strong background in technical and managerial training, including: ● **Legal/Technical:** National Training for Legal Officers, Investigation and Prosecution Techniques, and Resolution/Decision Writing. ● **Managerial:** Mandatory Continuing Legal Education (MCLE) and participation in IBP conventions.
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.	RESOLUTION APPROVING THE APPOINTMENT OF THE COMPLIANCE OFFICER.pdf **ARTURO D. CAÑO, JR. MBA** COMPLIANCE OFFICER ADMINISTRATIVE OFFICER VI LEGAL COMPLIANCE DEPARTMENT PPSTA, Inc. Seminar Attended: **COMPLIANCE MANAGEMENT SYSTEM** Featuring **ISO 37301**: The Global Standard for Effective Compliance Management Systems Date: **January 27 & 28, 2026**
2. Compliance Officer has a rank of Vice President or an equivalent position with adequate stature and authority in the corporation.	COMPLIANT		
3. Compliance Officer is not a member of the board.	COMPLIANT		
4. Compliance Officer attends training/s on corporate governance annually.	NON-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.	

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).	PPSTA Annual Report 2025, pages 26-30. In fulfilling our fiduciary duties throughout 2025, the Board of Trustees has consistently acted on a fully informed basis, with unwavering diligence, care, and a singular focus on the long-term best interest of our members. Our commitment to transparent and responsible governance is reflected in our active participation in the review and approval of the Association's business objectives and strategic directions—most notably, the formulation of the 2026–2030 Strategic Framework. *(continue…..)* Amended By-Laws 2025 (page 15). Article XIII - Duties of Officers
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) Indicate frequency of review of business objectives and strategy.	PPSTA Annual Report 2025, pages 26-30. *(Continuation.)* Beyond mere policy approval, the Board has maintained rigorous oversight of Management's implementation of these strategies, ensuring that all initiatives remain aligned with our core mandate to promote teacher welfare and ensure organizational sustainability. We remain dedicated to actively monitoring these developments to secure the long-term viability and financial strength of the PPSTA.
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		

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.	[KEY EXECUTIVE.pdf] Gilbert T. Sadsad serves as the President of the Philippine Public School Teachers Association (PPSTA), as well as a member of the National Board of Trustees and various PPSTA Board Committees. **Key Achievements:** Throughout his career, he has focused on educational reform and institutional development, including initiating transparent promotion systems, organizing new schools, and implementing student/teacher evaluation frameworks across Camarines Sur, Iriga City, and Masbate Province. He also led the Learning Recovery Program for the Bicol region.
Recommendation 2.4			
1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	COMPLIANT	Disclose and provide information or link/reference to a document containing information on the company's succession planning and retirement policies and programs, and its implementation.	[Amended By-Laws 2025, page 20.] **Article XV - The Basic Plan, Retirement Plan, Loans and Other Benefit System**
2. Board adopts a policy on the retirement for directors and key officers.	COMPLIANT		
Recommendation 2.5			
1. Board formulates and adopts a policy specifying the relationship between remuneration and performance of key officers and board members.	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.	[CORPORATE GOVERNANCE MANUAL 2017, page 15.] The Board of Trustees has been doing its duties without being paid a salary or other financial remuneration. With the exception of a fair allowance and per diem, the members of the Board of Trustees will not be paid for their work as such. No trustee may take part in conversations or decisions pertaining to his own compensation.
2. Board aligns the remuneration of key officers and board members with long-term interests of the company.	COMPLIANT		
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	COMPLIANT		

<table>
<tr><th colspan="4">Recommendation 2.6</th></tr>
<tr><td>1. Board has a formal and transparent board nomination and election policy.</td><td>COMPLIANT</td><td rowspan="6">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.

Provide proof if minority shareholders have a right to nominate candidates to the board.

Provide information if there was an assessment of the effectiveness of the Board’s processes in the nomination, election or replacement of a director.</td><td rowspan="6">CORPORATE GOVERNANCE MANUAL 2017, page 8.

The PPSTA Board of Trustees shall consist of one representative from each region. And the Independent Trustees elected in a manner provided under the Amended By-Laws. But in the absence of being updated the Corporate Governance Manual of 2017 particularly in page 9 of first paragraph. In the Amended By-Laws Independent Trustees shall likewise be filled by a special election following the manner of election as specified in Section 7 of Article VI. From whom the President of PPSTA may choose or appoint subject to recommendation by the BOT. (No person shall serve as an independent trustee unless he is of good moral character, unquestioned integrity and recognized competence.)

AMENDED BY-LAWS 2025, page 5 - Art. VI, Sec.7.

The Board of Trustees must approve each nominee after they have been vetted by the Nomination Committee/Nomination and Remuneration Committee, which will guarantee that all areas of competence are represented on the Board.

ELECTION CODE OF 2024.pdf</td></tr>
<tr><td>2. Board nomination and election policy is disclosed in the company’s Manual on Corporate Governance.</td><td>COMPLIANT</td></tr>
<tr><td>3. Board nomination and election policy includes how the company accepts nominations from minority shareholders.</td><td>Not Applicable: PPSTA is a non-stock, non-profit organization.</td></tr>
<tr><td>4. Board nomination and election policy includes how the board reviews nominated candidates.</td><td>COMPLIANT</td></tr>
<tr><td>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.</td><td>COMPLIANT</td></tr>
<tr><td>6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.</td><td>COMPLIANT</td></tr>
<tr><th colspan="4">Recommendation 2.7</th></tr>
<tr><td>1. Board has a 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.</td><td>COMPLIANT</td><td rowspan="2">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.

Identify transactions that were approved pursuant to the policy.</td><td rowspan="2">CORPORATE GOVERNANCE MANUAL 2017, page 20.

RISK MANAGEMENT AND RELATED PARTY TRANSACTION COMMITTEE CHARTER

The Risk Management and Related Party Transaction Committee Charter establishes the framework for ensuring that all Related</td></tr>
<tr><td>2. RPT policy includes appropriate review and approval of the materials RPTs, which</td><td>COMPLIANT</td></tr>
</table>

guarantee fairness and transparency of the transactions.			Party Transactions (RPTs) and risk management systems at the Philippine Public School Teachers Association (PPSTA) are appropriate, compliant with regulations, and well-executed.
3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	COMPLIANT		
Recommendation 2.8			
1. Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	COMPLIANT	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.	AMENDED BY-LAWS 2025, page 14, Art. XII, Sec. 2. BOARD RESOLUTION - APPOINTMENT OF THE GM.pdf RESOLUTION APPROVING THE APPOINTMENT OF THE COMPLIANCE OFFICER.pdf
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.	CORPORATE GOVERNANCE MANUAL 2017, page 15. All individual trustees, the Board and its Board Committees, and important corporate executives will be subject to a Performance Evaluation and Rating System in order to create a performance feedback system and comply with regulatory agency standards. **K. Performance Evaluation** A formal and rigorous annual evaluation of the Board's own performances and that of its Committees and individual Trustees shall be undertaken. The President shall act on the results of the performance evaluation by recognizing the strengths and addressing the weaknesses of each Trustee. Performance evaluation of the Board, its Committees and its individual Trustees shall be conducted and reported in the Annual Report.

			Performance evaluation of the President shall be made by the Board of Trustees, led by a senior Independent Trustee.
Recommendation 2.9			
1. Board establishes an effective performance management framework that ensures that Management, including the Chief Executive Officer performance is at par with the standards set by the Board and Senior Management.	COMPLIANT	Provide information on or link/reference to a document containing the Board's performance management framework for management and personnel.	[PERFORMANCE EVALUATION FORM] The **Job Description Analysis (JDA) Form for Supervisory Positions** is a standardized tool used by PPSTA to define and analyze the requirements of supervisory roles. Its primary instruction is to focus strictly on the **job itself**—not the performance or qualifications of the current employee occupying that role—to ensure objective job evaluation.
2. Board establishes an effective performance management framework that ensures that personnel's performance is at par with the standards set by the Board and Senior Management.	COMPLIANT		
Recommendation 2.10			
1. Board oversees that an appropriate internal control system is in place.	COMPLIANT	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.	[CORPORATE GOVERNANCE MANUAL 2017, page 19.] [AUDIT COMMITTEE CHARTER.pdf] The Audit Committee Charter mandates the committee to oversee PPSTA's governance, internal control procedures, and accountability systems.
2. The internal control system includes a mechanism for monitory and managing potential conflict of interest of the Management, members and shareholders	COMPLIANT		
3. Board approves the Internal Audit Charter.	COMPLIANT	Provide reference or link to the company's Internal Audit Charter.	
Recommendation 2.11			
1. Board oversees that the company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks.	COMPLIANT	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.	[AMENDED BY-LAWS 2025, page 13, Article 10 - Sec. 3.]

2. The risk management framework guides the Board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies.	COMPLIANT	Provide proof of effectiveness of risk management strategies, if any.	RISK MANAGEMENT AND RELATED PARTY TRANSACTION COMMITTEE CHARTER.pdf The PPSTA Board of Trustees ensures organizational stability by maintaining a sound Enterprise Risk Management (ERM) framework, formally established through the Amended By-Laws 2025 and the Risk Management and Related Party Transaction Committee Charter. This framework mandates the systematic identification, assessment, and monitoring of key operational, financial, and strategic risks, empowering the Committee to develop effective countermeasures that secure the Association's long-term viability.
Recommendation 2.12			
1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary.	COMPLIANT	Provide link to the company's website where the Board Charter is disclosed.	Audit Committee Charter GOVERNANCE COMMITTEE CHARTER.pdf Investment Committee Charter Membership Committee Charter Nomination & Remuneration Committee Charter Risk Management & Related Party Transaction Committee Charter Social Services Program Committee Charter
2. Board Charter serves as a guide to the directors in the performance of their functions.	COMPLIANT		
3. Board Charter is publicly available and posted on the company's website.	COMPLIANT		

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.	CORPORATE GOVERNANCE MANUAL 2017, page 18-20. Board Committees: A. Oversight and Audit Committee B. Internal Control and Risk Management C. Audit Commitment and Auditors D. Related Party Transaction
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.	Amended By-Laws 2025, page 11 - 12. Article IX - OVERSIGHT AND AUDIT COMMITTEE Audit Committee Charter **Objective and Scope:** The Committee oversees PPSTA's governance, internal control procedures, fraud prevention, and accountability systems, ensuring financial reporting accuracy for the benefit of members. CORPORATE GOVERNANCE MANUAL 2017, page 18. BOARD PROFILES, page 9.
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.	
3. All the members of the committee have relevant background, knowledge, skills,		Provide information or link/reference to a document containing information on	

1. Board adopts a Code of Business Conduct and Ethics, which provide standards for professional and ethical behaviour, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of the company.	COMPLIANT	Provide information on or link/reference to the company's Code of Business Conduct and Ethics.	EMPLOYEES' CODE OF DISCIPLINE.pdf The *Employees' Code of Discipline* establishes the standards of conduct, professional behavior, and disciplinary procedures for the Philippine Public School Teachers Association (PPSTA).Core Philosophy and Values Note: The list of offenses is not exhaustive; the company reserves the right to penalize other violations in a manner consistent with this code. Dissemination of the Code of Conduct and Ethics.pdf The Code is made permanently accessible to the public and all stakeholders through the organization's official website (www.ppsta.net) and internal communication channels. Official PPSTA Website: www.ppsta.net
2. The Code is properly disseminated to the Board, senior management and employees.	COMPLIANT	Provide information on or discuss how the company disseminated the Code to its Board, senior management and employees.	
3. The Code is disclosed and made available to the public through the company website.	COMPLIANT	Provide a link to the company's website where the Code of Business Conduct and Ethics is posted/disclosed.	
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. Indicate who are required to comply with the Code of Business Conduct and Ethics and any findings on non-compliance.	The implementation of the Code of Business Conduct and Ethics (CBCE) has been established; however, effective monitoring is lacking.
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	NON-COMPLIANT		
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 give a fair and complete picture of a company's financial condition, results and business operations.	**Not Applicable**: PPSTA is a non-stock, non-profit organization.	Provide information on or link/reference to the company's disclosure policies and procedures including reports distributed/made available to shareholders and other stockholders.	**Not Applicable**: Because PPSTA has no shareholders or other stockholders.
Recommendation 8.2			
1. Board fully discloses all relevant and material information on individual board members to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.	COMPLIANT	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.	PROFILE OF THE BOARD OF TRUSTEES AT PPSTA.pdf The *Profile of the Board of Trustees at PPSTA* document provides a detailed overview of the professional and educational backgrounds of the Association's current leadership. KEY EXECUTIVE.pdf The document *KEY EXECUTIVE.pdf* details the qualifications and career achievements of **Gilbert T. Sadsad**, the President of the Philippine Public School Teachers Association (PPSTA) • **Professional Role:** Serves as the President of PPSTA and is a member of the National Board of Trustees and various PPSTA Board Committees. • **Educational Qualifications:** Holds a Doctor of Education (Partido College, 2001), a Master in Development Management (Development Academy of the Philippines, 2002), and a Master of Arts in Education (Naga College Foundation, 1990). • **Professional Experience:** Possesses extensive leadership experience within the Department of Education (DepEd), including roles as Regional Director for DepEd R.O. V, OIC-Regional Director for DepEd MIMAROPA, and various positions as Schools Division Superintendent and Assistant Schools Division Superintendent.
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.	

			• **Key Expertise:** Demonstrated track record in institutional development, including the implementation of transparent teacher/official promotion and assessment systems, organization of new secondary schools and community colleges, and leadership of the Learning Recovery Program for the Bicol region.
Recommendation 8.3			
1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same in the Annual Corporate Governance Report consistent with ASEAN Corporate Governance Scorecard (ACGS) and the Revised Corporation Code.	COMPLIANT	Disclose or provide link/reference to the company policy and practice for setting board remuneration.	CORPORATE GOVERNANCE MANUAL 2017, page 15. *Under Letter* **J. BOARD REMUNERATION** Based on the *Corporate Governance Manual 2017* (page 15) and the *Nomination and Remuneration Committee Charter*, your current policy and practice for board remuneration is as follows: **Current Policy & Practice:** • **No Salary:** PPSTA Board members do not receive a salary for their services. • **Allowances and Reimbursements:** Trustees are entitled to per diem, gratuity, and reimbursement of necessary expenses incurred while attending Board and Committee meetings. There are currently no established policies concerning remuneration for termination and retirement for directors, executives, non-executives, and particularly the CEO. NOMINATION AND REMUNERATION COMMITTEE CHARTER.pdf
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 setting executive remuneration.	
3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	NON-COMPLIANT	Provide breakdown of director remuneration and executive compensation, particularly the remuneration of the CEO.	

Recommendation 8.4			
1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions.	COMPLIANT	Disclose or provide reference/link to company'	CORPORATE GOVERNANCE MANUAL 2017, page 20. The Association governs Related Party Transactions (RPTs) through the *Corporate Governance Manual 2017* (page 20) and the *Risk Management and Related Party Transaction Committee Charter*. The Charter establishes a comprehensive framework for ensuring that all RPTs are fair, conducted at arm's length, and in the best interest of the PPSTA. It mandates the systematic identification, review, and reporting of material RPTs to the Board to ensure transparency, regulatory compliance, and the protection of member interests. RISK MANAGEMENT AND RELATED PARTY TRANSACTION COMMITTEE CHARTER.pdf
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.	COMPLIANT	Provide information on all RPTs for the previous year or reference to a document containing the following information on all RPTs: 1. Name of the related counterparty; 2. Relationship with the party; 3. Transaction date; 4. Type/nature of transaction; 5. Amount or contact 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' 9. Other terms and conditions.	
Recommendation 8.5			
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	COMPLIANT	Provide link to the company's website where the Manual on Corporate Governance is posted.	CORPORATE GOVERNANCE MANUAL 2017.pdf *Official PPSTA Website:* **www.ppsta.net**
2. Company's MCG is posted on its company website.	COMPLIANT		

Principle 9: The company should establish standards for the appropriate selection of an external auditor, and exercise effective oversight of the same to strengthen the external auditor's independence and enhance audit quality.			
Recommendation 9.1			
1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.	NON-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.	The selection of the external auditor for PPSTA is done through the bidding of the Bids and Awards Committee (BAC).
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.	NON-COMPLIANT	Indicate the percentage of shareholders that ratified the appointment, reappointment, removal and fees of the external auditor.	
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.	NON-COMPLIANT	Provide information on or link/reference to a document containing the company's reason for removal or change of external auditor.	
Recommendation 9.2			
1. Audit Committee Charter includes the Audit Committee's responsibility on: i. Assessing the integrity and independence of external auditors; ii. Exercising effective oversight to review and monitor the external auditor's independence and objectivity; and iii. Exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant	\ COMPLIANT	Provide link/reference to the company's Audit Committee Charter.	AUDIT COMMITTEE CHARTER.pdf The Audit Committee Charter outlines the committee's mandate to oversee the Philippine Public School Teachers Association's (PPSTA) governance, internal control procedures, risk management, and accountability systems. Key Responsibilities • **Audit Oversight:** Manages both Internal Audit (strategy, performance review, and quality evaluations) and External Audit (appointment/dismissal, independence, and non-audit services).

Philippine professional and regulatory requirements.			**Financial Reporting & Internal Control:** Examines annual/interim financial statements and ensures the effectiveness of internal controls related to financial reporting and IT. **Risk & Compliance:** Advises on risk management for teacher welfare funds and insurance operations while ensuring adherence to tax laws and Insurance Commission regulations. **Ethics & Fraud Prevention:** Monitors adherence to the Code of Conduct and oversees anti-fraud measures and investigation procedures. **Governance:** Reviews PPSTA's governance procedures to ensure they function as intended. Operational Framework **Authority:** The committee has Board-granted permission for unrestricted access to management, staff, and necessary data, including the authority to hire independent consultants. **Membership:** Composed of five members of the Board of Trustees; the majority must be independent, and the Chairman is required to be an independent trustee with relevant professional experience. **Meetings:** The committee convenes at least quarterly, with proceedings documented in meeting minutes. **Conflict of Interest:** Members must declare conflicts and abstain from participation in related deliberations. **Review:** This charter is subject to Board approval and must be reviewed at least every two years.
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.	

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.	AUDIT COMMITTEE CHARTER.pdf The same external auditor responsible for the statutory audit in CY2025 did not perform any non-audit services. PPSTA Annual Report 2025, page 34
2. Audit Committee stays alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the external auditor's objectivity.	COMPLIANT	Provide link or reference to guidelines or policies on non-audit services.	
Principle 10: The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.			
Recommendation 10.1			
1. Board has a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability.	COMPLIANT	Disclose or provide link on the company's policies and practices on the disclosure of non-financial information, including EESG issues.	PPSTA Annual Report 2025, page 34 PPSTA integrates Economic, Environmental, Social, and Governance (EESG) issues into its operations and reporting to ensure long-term sustainability. Key initiatives include: • **Environmental:** Implementation of paperless processes, waste reduction, and tree-planting and clean-up drives. • **Social:** Provision of educational assistance to members and participation in community outreach and disaster relief. • **Governance:** Compliance with non-financial reporting standards and embedding sustainability into strategic planning.
2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	COMPLIANT	Provide link to Sustainability Report, if any. Disclose the standards used.	

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 briefing/press conferences, Quarterly reporting, Current reporting, etc.). Provide links, if any.	**official website:** http://www.ppsta.net/ **fb:** https://www.facebook.com/ppstaqc/ **TikTok:** https://www.tiktok.com/@ppstamain?_t=8drJyeXdXk1&_r=1 **youtube:** http://www.youtube.com/@philippinepublicschoolteac6077
Internal Control System and Risk Management Framework			
Principle 12: To ensure the integrity, transparency and proper governance in the conduct of its affair, 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.	AUDIT COMMITTEE CHARTER.pdf *Under* **V. Responsibilities** *Letter E.* **Internal Control** RISK MANAGEMENT AND RELATED PARTY TRANSACTION COMMITTEE CHARTER.pdf CORPORATE GOVERNANCE MANUAL 2017, page 19
2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.	COMPLIANT	Identify international framework used for Enterprise Risk Management. Provide information or reference to a document containing information on: 1. Company's risk management procedures and processes 2. Key risks the company is currently facing	

		3. How the company manages the key risks. Indicate frequency of review of the enterprise risk management framework.	
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.	AUDIT COMMITTEE CHARTER.pdf *Under* **V. Responsibilities** *Letter E.* **Internal Audit**
Recommendation 12.3			
1. The company has a qualified Chief Audit Executive (CAE) appointed by the Board.	NON-COMPLIANT	Identify the company's Chief Audit Executive (CAE) and provide information on or reference to a document containing his/her responsibilities.	No chief audit executive has been appointed by the board.
2. CAE oversees and is responsible for the internal audit activity of the organization, including that portion that is outsourced to a third party service provider.	NON-COMPLIANT		
Recommendation 12.4			
1. The company has a separate risk management function to identify, assess and monitor key risk exposures.	COMPLIANT	Provide information on company's risk management function.	RISK MANAGEMENT AND RELATED PARTY TRANSACTION COMMITTEE CHARTER.pdf
Recommendation 12.5			
1. In managing the company's Risk Management System, the company has a Chief Risk Officer (CRO), who is 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.	No chief risk officer has been hired for the position of Risk Management System.

2. CRO has adequate authority, stature, resources and support to fulfil his/her responsibilities.	NON-COMPLIANT		
Cultivating a Synergic Relationship with Shareholders			
Principle 13: The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.			
Recommendation 13.1			
1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.	COMPLIANT	Provide link or reference to the company's Manual on Corporate Governance where shareholders' rights are disclosed.	CORPORATE GOVERNANCE MANUAL 2017, page 20-22. PPSTA website: www.ppsta.net
2. Board ensures that basic shareholder rights are disclosed on the company's website.	COMPLIANT	Provide link to company's website.	
Recommendation 13.2			
1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' meeting with sufficient and relevant information at least 21 days before the meeting.	COMPLIANT	Indicate the number of days before the annual stockholders' meeting or special stockholders' meeting when the notice and agenda were sent out. Indicate whether shareholders' approval of remuneration or any changes therein were included in the agenda of the meeting. Provide link to the Agenda included in the Company's Information Statement.	PPSTA - RRAs & NRA 2024.pdf This document details the guidelines issued by PPSTA President Gilbert T. Sadsad on October 29, 2024, regarding the preparations and conduct of the 2024 Regional Representative Assemblies (RRAs) and the National Representative Assembly (NRA)/Election **National Representative Assembly (NRA)** • **Schedule:** Held on-site (face-to-face) at Ciudad Christia in San Mateo, Rizal, on December 12–13, 2024. • **Agenda:** The program includes an NRA Gala Night (opening ceremony and awards) on December 12,

			followed by the NRA proper (business reports, plenary sessions, and elections) on December 13 PPSTA BOT - DECEMBER 2024 - MINUTES OF MEETING.pdf The Board of Trustees of the Philippine Public School Teachers Association (PPSTA) met on December 12, 2024, to address operational, financial, and personnel matters.
Recommendation 13.3			
1. Board encourages active shareholder participation by making the result of the votes taken during the most recent Annual or Special Shareholders' meeting publicly available the next working day.	COMPLIANT	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.	PPSTA - RRAs & NRA 2024.pdf This document details the guidelines issued by PPSTA President Gilbert T. Sadsad on October 29, 2024, regarding the preparations and conduct of the 2024 Regional Representative Assemblies (RRAs) and the National Representative Assembly (NRA)/Election
2. Minutes if the Annual and Special Shareholders' meeting are available on the company website within five business days from the end of the meeting.	COMPLIANT	Provide link to minutes of meeting in the company website. Indicate voting results for all agenda items, including the approving, dissenting and abstaining votes. Indicate also if the voting on resolutions was by poll. Include whether there was opportunity to ask question and the answers given, if any.	PPSTA BOT - DECEMBER 2024 - MINUTES OF MEETING.pdf The Board of Trustees of the Philippine Public School Teachers Association (PPSTA) met on December 12, 2024, to address operational, financial, and personnel matters.
Recommendation 13.4			
1. Board has an alternative dispute mechanism to resolve intra-corporate	NON-COMPLIANT	Provide details of the alternative dispute resolution made available to resolve intra-corporate disputes.	No intra-corporate disputes amended in our Manual on Corporate Governance.

disputes in an amicable and effective manner.			
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.	
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.	PPSTA Annual Report 2025.pdf Sustainability: page **34** Programs: page **17 - 23**
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.	PPSTA Annual Report 2025.pdf Programs: page **17 - 23** Protection: page **32 - MEMBER WELFARE & PROTECTION**
Recommendation 14.3			
1. Board adopts a transparent framework and process that allow stakeholders to communicate with the company and to obtain redress for the violation of their rights.	COMPLIANT	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.	PPSTA WHISTLEBLOWING POLICY.pdf The PPSTA Whistleblowing Policy provides a confidential framework for employees and stakeholders to report suspected misconduct, fraud, or ethical breaches. The policy ensures protection for whistleblowers against retaliation and mandates that reports be handled with strict confidentiality. Reports can be submitted in writing to management or the Board, with procedures

		Provide information on whistleblowing policy, practices and procedures for stakeholders.	in place to address both identified and anonymous disclosures while discouraging malicious or false reports.
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.	COMPLIANT	Provide information on or link/reference to company policies, programs and procedures that encourage employee participation.	PPSTA Annual Report 2025.pdf Programs: page **17 - 23** The Board develops policies and programs designed to encourage employee participation through competitive compensation, a range of employee benefits, performance-based incentives, service awards, and recognition programs. Additionally, the PPSTA fosters employee engagement, training, and career development to enhance morale, drive high performance, and cultivate a shared commitment to achieving the company's objectives while maintaining good corporate governance.
Recommendation 15.2			
1. Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct.	COMPLIANT	Identify or provide link/reference to the company's policies, programs and practices on anti-corruption.	EMPLOYEES' CODE OF DISCIPLINE.pdf The *Employees' Code of Discipline* establishes the standards of conduct and disciplinary procedures for the Philippine Public School Teachers Association (PPSTA) to maintain a safe, healthy, and productive workplace. Dissemination of the Code of Conduct and Ethics.pdf
2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	COMPLIANT	Identify how the board disseminated the policy and program to employees across the organization.	

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.	COMPLIANT	Disclose or provide link/reference to the company whistle-blowing policy and procedure for employees. Indicate if the framework includes procedures to protect the employees from retaliation. Provide contact details to report any illegal or unethical behaviour.	PPSTA WHISTLEBLOWING POLICY.pdf The PPSTA Whistleblowing Policy provides a confidential framework for employees and stakeholders to report suspected misconduct, fraud, or ethical breaches. The policy ensures protection for whistleblowers against retaliation and mandates that reports be handled with strict confidentiality. Reports can be submitted in writing to management or the Board, with procedures in place to address both identified and anonymous disclosures while discouraging malicious or false reports.
2. Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.	COMPLIANT		
3. Board supervises and ensures the enforcement of the whistleblowing framework.	COMPLIANT	Provide information on how the board supervised and ensured enforcement of the whistleblowing framework, including any incident of whistleblowing.	
Principle 16: The company should be socially responsible in all its dealings with the communities where it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.			
Recommendation 16.1			
1. Company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.	COMPLIANT	Provide information or reference to a document containing information on the company's community involvement and environment-related programs.	PPSTA Annual Report 2025.pdf Sustainability: page **34** The Company recognizes its social responsibility by actively implementing community development and environmental sustainability initiatives. Through programs such as educational assistance, disaster and calamity relief, community outreach activities, tree-planting and clean-up drives, and paperless or waste reduction initiatives, the Company promotes sustainable growth while contributing to the welfare of the communities it

			serves. These programs are disclosed in the Company's Annual Report, Sustainability/CSR section, and official website. SOCIAL SERVICES PROGRAM COMMITTEE CHARTER.pdf

CERTIFICATION

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

Signed in the City of QUEZON CITY on the 03 JUL 2026 of ____________ 20___.

[redacted]

______________________ CHAIRMAN OF THE BOARD Signature over printed name	**MANUEL P. ALBAÑO** PRESIDENT/CEO Signature over printed name
[redacted] **ATTY. MARIANNE A. DILAG** CORPORATE SECRETARY Signature over printed name	[redacted] **ARTURO D. CAÑO, JR.** CORPORATE GOVERNANCE COMPLIANCE OFFICER Signature over printed name
[redacted] **ATTY. ALBERTO T. ESCOBARTE** INDEPENDENT DIRECTOR Signature over printed name	[redacted] **LUISA B. YU** INDEPENDENT DIRECTOR Signature over printed name

SUBSCRIBED AND SWORN to before me this 03 JUL 2026 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. MANUEL P. ALBAÑO	P8229054B	NOV. 22, 2021 / DFA TACLOBAN
2. MARIANNE A. DILAG	DIL-22-308579	
3. ARTURO D. CAÑO, JR	M01-17-002477	
4. ALBERTO T. ESCOBARTE	H02-89-024484	
5. LUISA B. YU	0558	SEPT. 27, 2011 / DULAG, LEYTE
6.		

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Series of 20. 26 .

ATTY. RIZAL JOSE F. VALMORES
NOTARY PUBLIC IN QUEZON CITY
Commission No. Adm. Matter No. 003 (2025-2026)
IBP O.R. No. 562041 / 12-01-2025 PTR No. 8304528
Roll No. 23435 / TIN: 305-416-643
MCLE No. VIII-0008300 valid until April 14, 2028
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Murphy, Quezon City