

**B. Equitable Treatment of Shareholders**

B.1	Shares and voting rights	Y/ N	Reference/Source document	Remarks
B.1.1	Do the company's ordinary or common shares have one vote for one share?	Y	<a href="#">Amended By-Laws; Article 1 Section 6-Proxy Voting; Revised CGM: Membership-Item 3.3, Voting Rights of a member P. 25</a>	KMBA members is entitled to one vote only during election
B.1.2	Where the company has more than one class of shares, does the company publicise the voting rights attached to each class of shares (e.g. through the company website / reports/ the stock exchange/ the regulator's website)?	N/A		KMBA is non-stock, non-profit organization

B.2	Notice of AGM				
B.2.1	Does each resolution in the most recent AGM deal with only one item, i.e., there is no bundling of several items into the same resolution?	<b>OECD Principle II</b> (C) Shareholders should have the opportunity to participate effectively and vote in general shareholder meetings and should be informed of the rules, including voting procedures, that govern shareholder meetings:	Y	<a href="#">KMBA website: Events and Features-Notice of 11th Annual General Meeting</a>	kmba.org.ph
B.2.2	Are the company's notice of the most recent AGM/circulars fully translated into English and published on the same date as the local-language version?	(1) Shareholders should be furnished with sufficient and timely information concerning the date, location and agenda of general meetings, as well as full and timely information regarding the issues to be decided at the meeting. (3) Effective shareholder participation in key corporate governance decisions, such as the nomination and election of board members, should be facilitated.	Y	<a href="#">KMBA website: Events and Features-Notice of 11th Annual General Meeting</a>	kmba.org.ph
<b><i>Does the notice of AGM/circulars have the following details:</i></b>					

B.2.3	Are the profiles of directors/commissioners (at least age, academic qualification, date of first appointment, experience, and directorships in other listed companies) in seeking election/re-election included?	<p><b>OECD Principle II</b> (A) All shareholders of the same series of a class should be treated equally. (4) Impediments to cross border voting should be eliminated.</p> <p><b>ICGN 8.3.2 Shareholder participation in governance</b> Shareholders should have the right to participate in key corporate governance decisions, such as the right to nominate, appoint and remove directors in an individual basis and also the right to appoint external auditor.</p> <p><b>ICGN 8.4.1 Shareholder ownership rights</b> The exercise of ownership rights by all shareholders should be facilitated, including giving shareholders timely and adequate notice of all matters proposed for shareholder vote.</p>	Y	<a href="#">KMBA website: Events and Features-List of nominees</a>	kmba.org.ph
B.2.4	Are the auditors seeking appointment/re-appointment clearly identified?		N		KMBA is still in the process of procurement of a new auditor
B.2.5	Has an explanation of the dividend policy been provided?		Y	<a href="#">2016 Annual Report: Policy on Dividends- P. 26</a>	However, we give members benefits in the forms of re-insurance, scholarship and other financial assistance instead of giving individual dividend.
B.2.6	Is the amount payable for final dividends disclosed?		N/A	<a href="#">2016 Annual Report: Policy on Dividends- P. 26</a>	KMBA has does not declare dividend to its members since it's a non-stock, not for profit organization.
B.2.7	Were the proxy documents made easily available?		Y	<a href="#">KMBA Website: Proxy Voting Forms</a>	Filled-up Proxy voting forms are kept in the KMBA head office

<b>B.3</b>	<b>Insider trading and abusive self-dealing should be prohibited.</b>				
B.3.1	Does the company have policies and/or rules prohibiting directors/commissioners and employees to benefit from knowledge which is not generally available to the market?	<p><b>OECD Principle III</b> <b>(B) Insider trading and abusive dealing should be prohibited</b></p> <p><b>ICGN 3.5 Employee share dealing</b> Companies should have clear rules regarding any trading by directors and employees in the company's own securities. Among other issues, these must seek to ensure individuals do not benefit from knowledge which is not generally available to the market.</p>	N/A		Default
B.3.2	Are the directors / commissioners required to report their dealings in company shares within 3 business days?		N/A		Not Applicable Items

<b>B.4</b>	<b>Related party transactions by directors and key executives.</b>				
B.4.1	Does the company have a policy requiring directors /commissioners to disclose their interest in transactions and any other conflicts of interest?	<p><b>OECD Principle III</b> (C) Members of the board and key executives should be required to disclose to the board whether they, directly, indirectly or on behalf of third parties, have a material interest in any transaction or matter directly affecting the corporation.</p> <p><b>ICGN 2.11.1 Related party transactions</b> Companies should have a process for reviewing and monitoring any related party transaction. A committee of independent directors should review significant related party transactions to determine whether they are in the best interests of the company and if so to determine what terms are fair.</p> <p><b>ICGN 2.11.2 Director conflicts of interest</b> Companies should have a process for identifying and managing conflicts of interest directors may have. If a director has an interest in a matter under consideration by the board, then the director should not participate in those discussions and the board should follow any further</p>	Y	<a href="#">Revised CGM: Governance Structure and Policies P. 10-11;</a> <a href="#">AFS 2016 - P. 42-43</a>	item 2.1.9, Disclosure of RPTs and Other Conflict of Interest
B.4.2	Does the company have a policy requiring a committee of independent directors/commissioners to review material/significant RPTs to determine whether they are in the best interests of the company and shareholders?		Y	<a href="#">Revised CGM: Stakeholders; item 4.3, Review of Related Party Transaction - P.30</a>	item 4.3.1: Responsible Committee and Focus of Review P. 30-31
B.4.3	Does the company have a policy requiring board members (directors/commissioners) to abstain from participating in the board discussion on a particular agenda when they are conflicted?		Y	<a href="#">KMBA Code of Ethics: Item 3.3, Procedure for Handling Complaints and Violations P. 6-7</a>	
B.4.4	Does the company have policies on loans to directors and commissioners either forbidding this practice or ensuring that they are being conducted at arm's length basis and at market rates?		Y	<a href="#">KMBA Code of Ethics: Guidelines and Rules, P. 3-5</a>	

<b>B.5</b>	<b>Protecting minority shareholders from abusive actions</b>				
<b>B.5</b>	<b>Protecting minority shareholders from</b>				
B.5.1	Were there any RPTs that can be classified as financial assistance to entities other than wholly-owned subsidiary companies?	<p><b>OECD Principle III</b> <b>(A) All shareholders of the same series of a class should be treated equally.</b> (2) Minority shareholders should be protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly, and should have effective means of redress.</p>	N		
B.5.2	Does the company disclose that RPTs are conducted in such a way to ensure that they are fair and at arms' length?		Y	<a href="#">2016 Audited Financial Statement</a>	2016 AFS Note No. 18, Page 42-43