

COMPANY NAME:	KASAGANA-KA MUTUAL BENEFIT ASSOCIATION, INC.		COMPANY STRUCTURE:  <input type="radio"/> Class 1 <input type="radio"/> Class 3 <input checked="" type="radio"/> Class 5 <input type="radio"/> Class 2 <input type="radio"/> Class 4
FINANCIAL YEAR END	2018		
SECTOR	<input checked="" type="checkbox"/> Insurance	<input checked="" type="checkbox"/> MBA	

A. Rights of Shareholders					
A.1	Basic Shareholder Rights		Y/ N	Reference/Source document	Remarks
A.1.1	Does the company pay (interim and final/annual) dividends in an equitable and timely manner; that is, all shareholders are treated equally and paid within 30 days after being (i) declared for interim dividends and (ii) approved by shareholders at general meetings for final dividends?	<b>OECD Principle II: The Rights of Shareholders and Key Ownership Functions</b> (A) Basic shareholder rights should include the right to, amongst others: (6) share in the profits of the corporation.	N/A	<a href="#">Amended Articles of Incorporation- Article 8, IC Circular 2015-46, Amended Insurance Code Section 408, paragraph 3</a>	Since KMBA is a non-stock, not for profit, mutual aid organization, it does not pay dividends. However, per IC circular 2015-46, any amount in excess of free and unassigned surplus shall be returned to the members...by way of enhancing the equity value...

A.2 Right to participate in decisions concerning fundamental corporate changes.					
<i>Do shareholders have the right to participate in:</i>					
A.2.1	Amendments to the company's constitution?	<b>OECD Principle II</b> (B) Shareholders should have the right to participate in, and to be sufficiently informed on, decisions concerning fundamental corporate changes such as: (1) amendments to the statutes, or articles of incorporation or similar governing documents of the company.	y	<a href="#">Amended By-Laws: Article V, Section 2. Rights of Members; Minutes of 12th AGM</a> <a href="#">Amendments to the Articles of Incorporation &amp; By-Laws P. 12 to 18</a>	Amendments to the articles of incorporation and by-laws were approved by the General Membership in its meeting held on May 31, 2018 for onward submission to SEC.
A.2.2	The authorisation of additional shares?	<b>OECD Principle II (B):</b> (2) the authorisation of additional shares.	N/A		Default

A.2.3	The transfer of all or substantially all assets, which in effect results in the sale of the company?	<b>OECD Principle II.(B):</b> (3) extraordinary transactions, including the transfer of all or substantially all assets, that in effect result in the sale of the company.	Y	<a href="#">Amended Articles of Incorporation: Article 12, No. 3</a>	In case of dissolution, assets of the corporation shall be distributed in the manner set forth in the Articles of Incorporation
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<b>A.3</b> <b>Right to participate effectively in and vote in general shareholder meetings and should be informed of the rules, including voting procedures, that govern general shareholder meetings.</b>					
A.3.1	Do shareholders have the opportunity, evidenced by an agenda item, to approve remuneration (fees, allowances, benefit-in-kind and other emoluments) or any increases in remuneration for the non-executive directors/commissioners?	<b>OECD Principle II (C):</b> (3) Effective shareholder participation in key corporate governance decisions, such as the nomination and election of board members, should be facilitated. Shareholders should be able to make their views known on the remuneration policy for board members and key executives. The equity component of compensation schemes for board members and employees should be subject to shareholder approval.	Y	<a href="#">Board resolution number 6: Increase in General Manager Salary</a>	All board resolutions and management actions, including the increase of salary of the General Manager, were presented and ratified by the general membership during the 13th Annual General Meeting
A.3.2	Does the company provide non-controlling shareholders a right to nominate candidates for board of directors/commissioners?		Y	<a href="#">Revised CGM: Membership-P.26-29, item 3.3 Voting rights of members; item 3.7.1 Members Right to Participate; item 3.7.4 Election of Board Committees P26-29</a>	All KMBA members have the right to participate and vote in its Annual General Assembly.
A.3.3	Does the company allow shareholders to elect directors/commissioners individually?		Y	<a href="#">Revised CGM: Membership-P.27, item 3.7.3 Voting on Motions; Election Rules &amp; Guidelines</a>	The Corporation Code and the guidelines of KMBA allow proxy voting.

A.3.4	Does the company disclose the voting and vote tabulation procedures used, declaring both before the meeting proceeds?	<b>OECD Principle II (C):</b> 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 general shareholder meetings.	Y	<a href="#">Election Rules &amp; Guidelines of KMBA for Board of Trustees; Minutes of 12th Annual General Meeting Election of Board Committees P.18-19</a>	The election of committee presented to the annual general meeting on May 31, 2018 the election guidelines and procedures in voting the members of the Board of Trustees.
A.3.5	Do the minutes of the most recent AGM record that there was an opportunity allowing for shareholders to ask questions or raise issues?	<b>OECD Principle II (C):</b> (2) Shareholders should have the opportunity to ask questions to the board, including questions relating to the annual external audit, to place items on the agenda of general meetings, and to propose resolutions, subject to reasonable limitations.	Y	<a href="#">2018 Minutes of 12th Annual General Meeting: Treasurer's Report Agenda item #7 P. 6-9; Agenda item #15; Launched of the enhance BLIP &amp; HIIP P. 20</a>	In every Annual General Meeting, members are encourage to participate in the deliberations of the proposed agenda. The president would entertain questions before the agenda put to motion for approval.
A.3.6	Do the minutes of the most recent AGM record questions and answers?		Y	<a href="#">2018 Minutes of 12th Annual General Meeting: Treasurer's Report Agenda item #7 P. 6-9; Agenda item #15; Launched of the enhance BLIP &amp; HIIP P. 20</a>	Comments/questions raised during the deliberations of the agenda were duly recorded in the minutes of the Annual General Meeting
A.3.7	Does the disclosure of the outcome of the most recent AGM include resolution(s)?		Y	<a href="#">2018 Minutes of 12th AGM Approval &amp; Ratification of Board &amp; Management Actions P. 8-9</a>	Minutes and Board Resolutions were posted at KMBA website under Corporate Governance_Board Resolutions
A.3.8	Does the company disclose the voting results including approving, dissenting, and abstaining votes for each agenda item for the most recent AGM?		Y	<a href="#">Minutes of the 2018 12th AGM; 2018 Voting Results on 12th AGM</a>	Summary of Voting Results on 2018 Annual General Meeting was also posted at KMBA website under Corporate Governance_2018 Minutes of AGM

A.3.9	Does the company disclose the list of board members who attended the most recent AGM?	<b>OECD Principle II (C); and</b> <b>ICGN 2.4.2:</b> All directors need to be able to allocate sufficient time to the board to perform their responsibilities effectively, including allowing some leeway for occasions when greater than usual time demands are made.	Y	<a href="#">2018 Minutes of 12th Annual General Meeting - P. 1-2 AGM Attendance Sheet</a>	Attendance of the Annual General Meeting starts always with the board of trustees and the committee/s they are heading.
A.3.10	Did the chairman of the board of directors/commissioners attend the most recent AGM?		Y	<a href="#">2018 Minutes of 12th Annual General Meeting - P. 1-2 AGM Attendance Sheet</a>	The president of the Board of Trustee presided the meeting.
A.3.11	Did the CEO/Managing Director/President attend the most recent AGM?		Y	<a href="#">2018 Minutes of 12th Annual General Meeting - P. 1-2 AGM Attendance Sheet</a>	The General Manager assisted the President of the Board of Trustees in the conduct of the Annual General Meeting
A.3.12	Did the chairman of the Audit Committee attend the most recent AGM?		Y	<a href="#">2018 Minutes of 12th Annual General Meeting - P. 1-2 AGM Attendance Sheet</a>	The Chair of Audit Committee attended the 12th AGM
A.3.13	Did the company organise their most recent AGM in an easy to reach location?	<b>OECD Principle II (C)</b>	Y	<a href="#">kmba website; Notice of 12th Annual General Meeting</a>	KMBA held its 12th AGM at SEAMEO Innotech located along Commonwealth Avenue in Quezon City, which is accessible to all members. KMBA also provided location map together with the invitation to each member-representative
A.3.14	Does the company allow for voting in absentia?	<b>OECD Principle II (C):</b> (4) Shareholders should be able to vote in person or in absentia, and equal effect should be given to votes whether cast in person or in absentia.	Y	<a href="#">Amended By-Laws, Article 1 Section 6 Proxy voting</a>	The method of voting is through Proxy voting. Each member cast her/his vote at the center level and on the day of the AGM, the last to vote are the members of the board of trustees.
A.3.15	Did the company vote by poll (as opposed to by show of hands) for all resolutions at the most recent AGM?	<b>OECD Principle II (C)</b>	Y	<a href="#">Minutes of 12th AGM</a>	The resolutions for each agenda were voted via show of hands

A.3.16	Does the company disclose that it has appointed an independent party (scrutineers/inspectors) to count and/or validate the votes at the AGM?		Y	<a href="#">Revised CGM: Governance Structure &amp; Policies Item 2.1.2-Appointment of an Independent Party: Minutes of 12th Annual General Meeting P. 8</a>	BDO Roxas, Cruz, Tagle & Co. CPA's was appointed to validate for all the votes during the 12th AGM
A.3.17	Does the company make publicly available by the next working day the result of the votes taken during the most recent AGM for all resolutions?		Y	<a href="#">kmba website: 2018 Voting Results of 12th Annual General Meeting</a>	All resolutions for 2018 made & approved by the AGM were posted in the KMBA website a day after the conduct of the AGM
A.3.18	Do companies provide at least 21 days notice for all resolutions?	<b>OECD Principle II (C):</b> (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.	Y	<a href="#">KMBA Website: Disclosure Notice AGM: Summary of 2017 Board Resolutions</a>	All resolutions made & approved by the board and AGM for 2018 were posted in the KMBA website on the same date that Notice for AGM was posted, under Disclosure: Notice of AGM_Summary of Board Resolutions 2018
A.3.19	Does the company provide the rationale and explanation for each agenda item which require shareholders' approval in the notice of AGM/circulars and/or the accompanying statement?		Y	<a href="#">KMBA Website Notice of 12th Annual General Meeting;</a>  <a href="#">Revised CGM item 2.9.3 Notic</a>	Rationale for each agenda item on the AGM is posted at KMBA website under Disclosure: Notice of 12th Annual General Meeting. It is also discussed during Board & Area Coordinators' meeting, where rationale and explanation for each agenda item are also given.

<b>A.4</b>					
<b>Markets for corporate control should be allowed to function in an efficient and transparent manner.</b>					
A.4.1	In cases of mergers, acquisitions and/or takeovers requiring shareholders approval, does the board of directors/commissioners of the offeree company appoint an independent party to evaluate the fairness of the transaction price?	<p><b>OECD Principle II (E):</b> Markets for corporate control should be allowed to function in an efficient and transparent manner.</p> <p>(1) The rules and procedures governing the acquisition of corporate control in the capital markets, and extraordinary transactions such as mergers, and sales of substantial portions of corporate assets, should be clearly articulated and disclosed so that investors understand their rights and recourse. Transactions should occur at transparent prices and under fair conditions that protect the rights of all shareholders according to their class.</p>	Y	<a href="#">Amended Articles of Incorporation Article 12 No. 3</a>	KMBA will have to secure approval from the Insurance Commission as its regulatory agency should there be cases of merger/acquisitions or take over of the company.
<b>A.5</b>					
<b>The exercise of ownership rights by all shareholders, including institutional investors, should be facilitated.</b>					
A.5.1	Does the Company publicly disclose policy/practice to encourage shareholders including institutional shareholders to attend the general meetings or engagement with the Company?	<p><b>OECD Principle II (F):</b> The exercise of ownership rights by all shareholders, including institutional investors, should be facilitated.</p>	Y	<a href="#">Revised Corporate Governance Manual: Annual General Meeting Item 3.7.1 Members Right to Participate P. 27;</a>  <a href="#">Notice of 12th Annual General Meeting</a>	Notice of Annual General Meeting was announced through KMBA website, through center meetings, quarterly coordinating meetings of the branch and roadshows. The members of the Board of Trustees and Area Coordinators also help in the dissemination of notice of meeting in their respective areas/centers.

