

A. Rights of shareholders				
A.1	Basic shareholder rights		Y/N	Reference/ Source document
A.1.1(P)	Did the company fail or neglect to offer equal treatment for share repurchases to all shareholders?	OECD Principle II (A)	N/A	N - As mandated by the insurance code, KMBA granted equity value enhancement, increased capital build up and unassigned surplus to all members.
A.2	Shareholders, including institutional shareholders, should be allowed to consult with each other on issues concerning their basic shareholder rights as defined in the Principles, subject to exceptions to prevent abuse.			
A.2.1(P)	Is there evidence of barriers that prevent shareholders from communicating or consulting with other shareholders?	OECD Principle II (G) Shareholders, including institutional shareholders, should be allowed to consult with each other on issues concerning their basic shareholder rights as defined in the Principles, subject to exceptions to prevent abuse.	N	There is an open discussion during I meetings. Members can communicate through their area coordinators or directly to the board of trustees
A.3	Right to participate effectively in and vote in general shareholders meeting and should be informed of the rules, including voting procedures, that govern general shareholders meeting.			
A.3.1(P)	Did the company include any additional and unannounced agenda item into the notice of AGM/EGM?	OECD Principle II (C) 2	N	During AGM, only the item on proposed agenda which was published through KMBA website was discussed
A.4	Capital structures and arrangements that enable certain shareholders to obtain a degree of control disproportionate to their equity ownership should be disclosed.			
<i>Did the company fail to disclose the existence of:</i>				
A.4.1(P)	Shareholders agreement?	OECD Principle II (D)	N	
A.4.2(P)	Voting cap?		N	

Only those items listed in the AGM agenda, published in the official KMBA website were discussed/approved.

A.4.3(P)	Multiple voting rights?		N	Member is entitled to one Vote only
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In accordance with the association's by-laws, a member is entitled to one vote only

A.5	Capital structures and arrangements that enable certain shareholders to obtain a degree of control disproportionate to their equity ownership should be disclosed.			
A.5.1(P)	Is a pyramid ownership structure and/ or cross holding structure apparent?	<p>OECD Principle II (D): Capital structures and arrangements that enable certain shareholders to obtain a degree of control disproportionate to their equity ownership should be disclosed.</p> <p>Some capital structures allow a shareholder to exercise a degree of control over the corporation disproportionate to the shareholders' equity ownership in the company. Pyramid structures, cross shareholdings and shares with limited or multiple voting rights can be used to diminish the capability of noncontrolling shareholders to influence corporate policy.</p>	N/A	N - Based on the current practice, bottom-up approach is being practiced by KMBA since it is member-owned and member-governed.

link-by-laws, CG manual

B. Equitable treatment of shareholders			
B.1	Insider trading and abusive self-dealing should be prohibited.		
B.1.1(P)	<p>Has there been any conviction of insider trading involving directors/commissioners, management and employees in the past three years?</p>	<p>OECD Principle III: The Equitable Treatment of Shareholders (B) Insider trading and abusive dealing should be prohibited.</p> <p>ICGN 3.5 Employee share dealing 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> <p>ICGN 8.5 Shareholder rights of action ... Minority shareholders should be afforded protection and remedies against abusive or oppressive conduct.</p>	<p>N</p> <p>There was none since the board of trustees and all the staff are always reminded that they are not entitled to any shares since KMBA is a non-stock, non-profit organization as mandated by its by-laws.</p>

link - by-laws

B.2	Protecting minority shareholders from abusive action			
B.2.1(P)	Has there been any cases of non compliance with the laws, rules and regulations pertaining to significant or material related party transactions in the past three years?	<p>OECD Principle III (B) Insider trading and abusive dealing should be prohibited</p> <p>ICGN 2.11.1 Related party transactions 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>ICGN 2.11.2 Director conflicts of interest Companies should have a process for identifying and managing any 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 appropriate processes. Individual directors should be conscious of shareholder and public perceptions and seek to avoid situations where there might be an appearance of a conflict of interest.</p> <p>ICGN 8.5 Shareholder rights of action Shareholders should be afforded rights of action and remedies which are readily accessible in order to redress conduct of company which treats them inequitably. Minority shareholders should be afforded protection and remedies against abusive or oppressive conduct.</p>	N	We do not encounter any of that matters as of the moment

So far, we have not encounter any violations of any significant or material related party transactions within and among the board of trustees and the management and staff.

C. Role of stakeholders				
C.1 The rights of stakeholders that are established by law or through mutual agreements are to be respected.				
C.1.1(P)	Have there been any violations of any laws pertaining to labour/employment/ consumer/insolvency/ commercial/competition or environmental issues?	OECD Principle IV (A) The rights of stakeholders that are established by law or through mutual agreements are to be respected.	N	We do not encounter any of that as of the moment and we will not allow it to happen
C.2 Where stakeholders participate in the corporate governance process, they should have access to relevant, sufficient and reliable information on a timely and regular basis.				
C.2.1(P)	Has the company faced any sanctions by regulators for failure to make announcements within the requisite time period for material events?	OECD Principle IV (B) Where stakeholders participate in the corporate governance process, they should have access to relevant, sufficient and reliable information on a timely and regular basis.	N	Members may access vital information of the association through the official website and FB account. Other forms of information dissemination such as calls, text, through center meetings, roadshows, among others are being undertaken

link - annual report - services to members

links - website, fb, center mtgs, roadshow

D. Disclosure and transparency				
D.1 Sanctions from regulator on financial reports				
D.1.1(P)	Did the company receive a "qualified opinion" in its external audit report?	OECD Principle V: Disclosure and Transparency (B) Information should be prepared and disclosed in accordance with high quality standards of accounting and financial and non-financial disclosures. (C) An annual audit should be conducted by an independent, competent and qualified, auditor in order to provide an external and objective assurance to the board and shareholders that the financial statements fairly represent the financial position and	N	The contracted external audit firm, Roxas, Cruz, Tagle and Co. gave it's "unqualified opinion" of the 2018 audited financial report
D.1.2(P)	Did the company receive an "adverse opinion" in its external audit report?		N	
D.1.3(P)	Did the company receive a "disclaimer opinion" in its external audit report?		N	

link - independent auditor's report

D.1.4(P)	Has the company in the past year revised its financial statements for reasons other than changes in accounting policies?	statements fairly represent the financial position and performance of the company in all material respects. (D) External auditors should be accountable to the shareholders and owe a duty to the company to exercise due professional care in the conduct of the audit.	N	
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E. Responsibilities of the Board

E.1	Compliance with listing rules, regulations and applicable laws			
E.1.1(P)	Is there any evidence that the company has not complied with any listing rules and regulations over the past year apart from disclosure rules?	<p>OECD Principle VI (D) (7) Ensuring the integrity of the corporation's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.</p> <p>Companies are also well advised to set up internal programmes and procedures to promote compliance with applicable laws, regulations and standards, including statutes to criminalise bribery of foreign officials that are required to be enacted by the OECD Anti-bribery Convention and measures designed to control other forms of bribery and corruption. Moreover, compliance must also relate to other laws and regulations such as those covering securities, competition and work and safety conditions. Such compliance programmes will also underpin the company's ethical code.</p>	N	<p>KMBA is compliant to laws and regulations governing MBAs</p>

link - financial manual, code of ethics

E.1.2(P)	Have there been any instances where non-executive directors/commissioner have resigned and raised any issues of governance-related concerns?	UK CODE (JUNE 2010) A.4.3 Where directors have concerns which cannot be resolved about the running of the company or a proposed action, they should ensure that their concerns are recorded in the board minutes. On resignation, a non-executive director should provide a written statement to the chairman, for circulation to the board, if they have any such concerns.		
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E.2 Board Appraisal				
E.2.1(P)	Does the Company have any independent directors/commissioners who have served for more than nine years or two terms (which ever is higher) in the same capacity?	OECD Principle V (C) An annual audit should be conducted by an independent, competent and qualified, auditor in order to provide an external and objective assurance to the board and shareholders that the financial statements fairly represent the financial position and performance of the company in all material respects. Examples of other provisions to underpin auditor independence include, a total ban or severe limitation on the nature of non-audit work which can be undertaken by an auditor for their audit client, mandatory rotation of auditors (either partners or in some cases the audit partnership), a temporary ban on the employment of an ex-auditor by the audited company and prohibiting auditors or their dependents from having a financial stake or management role in the companies they audit.	N	None. The independent trustee is entitled to 3 years term and may be reelected for another 3 year term as mandated by the association's by-laws as amended
E.2.2(P)	Did the company fail to identify who are the independent director(s) / commissioner(s)?	ICGN 2.4 Composition and structure of the board ICGN 2.4.1 Skills and experience ICGN 2.4.3 Independence	N	KMBA has 2 independent trustees duly elected during the annual general meeting

link - amended by-laws

link - amended by-laws, CG manual, annual report

E.3 External Audit			
E.3.1(P)	<p>Is any of the directors or senior management a former employee or partner of the current external auditor (in the past 2 years)?</p>	<p>OECD Principle V (C) An annual audit should be conducted by an independent, competent and qualified, auditor in order to provide an external and objective assurance to the board and shareholders that the financial statements fairly represent the financial position and performance of the company in all material respects.</p> <p>Examples of other provisions to underpin auditor independence include, a total ban or severe limitation on the nature of non-audit work which can be undertaken by an auditor for their audit client, mandatory rotation of auditors (either partners or in some cases the audit partnership), a temporary ban on the employment of an ex-auditor by the audited company and prohibiting auditors or their dependents from having a financial stake or management role in the companies they audit.</p>	<p>N</p> <p>KMBA has engaged the services of an external audit firm, Roxas, Crus, Tagle and Co. for its 2018 Financial Satatement</p>
E.4 Board structure and composition			
E.4.1 (P)	<p>Is any of the directors a former CEO of the company in the past 2 years?</p>		<p>N</p> <p>The members of the board of Trustees are duly elected from the members at the center level who are engaged in small scale livelihood activities</p>

link - contract of services to include personnel structure

link - by-laws, CG manual