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| COMPANY NAME: | KASAGANA-KA MUTUAL BENEFIT ASSOCIATION, INC. | | COMPANY STRUCTURE: | |
| FINANCIAL YEAR END | 2019 | | <input type="radio"/> Class 1 <input type="radio"/> Class 3 <input checked="" type="radio"/> Class 5 | |
| SECTOR | <input checked="" type="checkbox"/> Insurance | <input checked="" type="checkbox"/> MBA | <input type="radio"/> Class 2 <input type="radio"/> Class 4 | |

| A. Rights of Shareholders | | | | | |
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| 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? | OECD Principle II: The Rights of Shareholders and Key Ownership Functions (A) Basic shareholder rights should include the right to, amongst others: (6) share in the profits of the corporation. | N/A | Amended Articles of Incorporation- Article 8, IC Circular 2015-46, Amended Insurance Code Section 408, paragraph 3 | 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 | | | | | |
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| 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? | OECD Principle II (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 | Amended By-Laws: Article V, Section 2. Rights of Members | 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? | OECD Principle II (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? | OECD Principle II.(B): (3) extraordinary transactions, including the transfer of all or substantially all assets, that in effect result in the sale of the company. | Y | Amended Articles of Incorporation: Article 12, No. 3 | In case of dissolution, assets of the corporation shall be distributed in the manner set forth in the Articles of Incorporation |

| A.3 | | | | |
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| 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. | | | | |
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| 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? | <p>OECD Principle II (C): (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.</p> | Y | Board resolution # 12: Release of Performance Incentive for July to December 2018 Board Resolution # 47 - Release of the performance incentive for January to June 2019 | 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 | 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 | 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 | Amended By-laws: Section 2- Rights of Members; Revised CGM: Membership-P.27, item 3.7.3 Voting on Motions; Election Rules & Guidelines: | 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? | | Y | Minutes of 13th Annual General Meeting Election Guidelines and Voting System Page 10-16 | The election of committee presented to the annual general meeting on May 31, 2019 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? | | Y | 2019 Minutes of 13th Annual General Meeting: Presentation of Treasurer's Report P. 6-7 | Ms. Enriqueta Navarro, raised her issue on the risk if additional expenses and taxes that KMBA may incur for renting or leasing the property. Mr. Babour, external auditor from BDO Roxas Cruz Tagle and Co address this issue. Another member from the general assembly, Ms. Josephine Abugan asked on how will the association manage the risk. |
| A.3.6 | Do the minutes of the most recent AGM record questions and answers? | | Y | 2019 Minutes of 13th Annual General Meeting: Presentation of Treasurer's Report Agenda item #7 P. 6-7 | Comments/questions raised during the deliberations of the agenda were duly recorded in the minutes of the Annual General Meeting |

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| A.3.7 | Does the disclosure of the outcome of the most recent AGM include resolution(s)? | | Y | 2019 Minutes of 13th AGM Approval & Ratification of Board & Management Actions P. 7-8; KMBA website Disclosure: Results of 2019 Annual General Meeting | Minutes and Board Resolutions were posted at KMBA website under Corporate Governance_Board Resolutions 2019; Disclosure: Other Disclosure_Voting Results on 2019 AGM |
| 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 | Minutes of the 13th AGM 2019 Voting Results on 13th AGM | Summary of Voting Results on 2019 Annual General Meeting were posted at KMBA website under Disclosure: Other Disclosure_Voting Results of 2019 AGM |
| A.3.9 | Does the company disclose the list of board members who attended the most recent AGM? | OECD Principle II (C); and ICGN 2.4.2: 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 | 2019 Minutes of 13th Annual General Meeting - P. 1-2 AGM Attendance Sheet | 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 | 2019 Minutes of 13th Annual General Meeting - P. 1-2 AGM Attendance Sheet | The president of the Board of Trustee, Ms. Isabel Iliw-iliw presided the meeting. |
| A.3.11 | Did the CEO/Managing Director/President attend the most recent AGM? | | Y | 2019 Minutes of 13th Annual General Meeting - P. 1-2 AGM Attendance Sheet | 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 | 2019 Minutes of 13th Annual General Meeting - P. 1-2 AGM Attendance Sheet | The Chair of Audit Committee, Independent Philip Arnold P. Tuaño attended the 13th AGM |
| A.3.13 | Did the company organise their most recent AGM in an easy to reach location? | OECD Principle II (C) | Y | kmba website; Notice of 13th Annual General Meeting | KMBA held its 13th AGM at KASAGANA-KA Mutual Benefit Ass'n. Inc Members' Center, 5 Matimpiin St. Brgy. Pinyahan Diliman 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? | OECD Principle II (C): (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 | Amended By-Laws, Article 1 Section 6 Proxy voting | 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? | OECD Principle II (C) | Y | Summary of Votes During the 13th Annual General Meeting for the year 2019 | The resolutions for each agenda were voted via show of hands |

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| 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 | Revised CGM: Governance Structure & Policies Item 2.1.2-Appointment of an Independent Party: Minutes of 13th Annual General Meeting P. 13-14 | Mr. Mark Babour, External Auditor from BDO Roxas, Cruz, Tagle & Co. CPA's was appointed by Ms. Marilyn C. Aldave, Chairperson of Nomination & Election Committee to validate for all the votes during the 13th 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 | kmba website: Disclosure: Other Disclosure 2019 Voting Results of 13th Annual General Meeting | Summary of Votes during the 13th Annual General Meeting 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? | OECD Principle II (C): (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 | KMBA Website: Disclosure Other Disclosure: Summary of 2019 Board Resolutions | All resolutions made & approved by the board and AGM for 2019 were posted in the KMBA website on the same date that Notice for AGM was posted, under Disclosure: Notice of AGM_Summary of 2019 Board Resolutions |
| 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 | KMBA Website Notice of 14th Annual General Meeting; Revised CGM item 2.9.3 Notices and Agenda of Board Meetings | Rationale for each agenda item on the AGM is posted at KMBA website under Disclosure: Notice of 14th Annual General Meeting. It is also discussed during Board & Area Coordinators' meeting, where rationale and explanation for each agenda item are also given. |

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| A.4 | Markets for corporate control should be allowed to function in an efficient and transparent manner. |
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| 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>OECD Principle II (E): 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 | Amended Articles of Incorporation Article 12 No. 3 | 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. |
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| A.5 The exercise of ownership rights by all shareholders, including institutional investors, should be facilitated. | | | | | |
| 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>OECD Principle II (F): The exercise of ownership rights by all shareholders, including institutional investors, should be facilitated.</p> | Y | Revised Corporate Governance Manual: Annual General Meeting Item 3.7.1 Members Right to Participate P. 27; Notice of 14th Annual General Meeting | 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. |