

KMBA Election Rules and Guidelines

Formation of an Election Committee based on KMBA's Corporate Governance Manual:

Chapter 2, Section 2.3.4 of the KMBA Corporate Governance Manual provides for the creation of an Election Committee which shall be tasked to ensure an orderly and clean elections for the members of the KMBA Board of Trustees.

Composition of the Election Committee:

The Election Committee shall have five (5) members, two (2) Independent Trustee, one (1) from the existing Board of Trustees (BoT) who is not a candidate in the election and two (2) area coordinator. One (1) KMBA staff will be assigned to guide the committee and to serve as its "logistic staff".

Members of the Election Committee shall have a term of only one (1) year. After the election and proclamation of winning BoT members, and if no election-related problems or complaints were lodged, the responsibilities of the committee are deemed fulfilled/completed.

Roles and responsibilities of the Election Committee:

- a) Draft election-related policies and guidelines, and recommend these to the BoT for proper consideration and approval;
- b) Implement election-related policies and guidelines duly approved by the BoT;
- c) After consulting with the KMBA BoT, recommend necessary revisions or enhancements in election-related policies and guidelines, and have these approved by the BoT;
- d) Ensure that elections and other related processes are conducted in an orderly manner;
- e) Count votes cast during the elections for the KMBA BoT, and ensure accurate and timely reporting of election results;
- f) Proclaim the winning candidates based on election results;
- g) Decide on election-related issues or complaints, except in cases wherein the committee itself or any of its members are involved;
- h) Perform other functions set forth in the association's Constitution and Corporate Governance Manual, and/or assigned by the BoT and/or the General Assembly.

Composition of the KMBA Board of Trustees and term of office:

KMBA's Board of Trustees (BoT) shall be composed of nine (9) elected members: seven (7) from the association's active members, and two (2) independent members. Of the seven association members elected to the Board, the top five (5) in terms of number of votes received shall serve for a term of three (3) years. The remaining two (2) association members who are elected with lower number of votes shall serve for two (2) years. The two (2) independent Board members shall have a term of three (3) years, and could be re-elected only for another term. After the first

election, subsequent elections of BoT members will be organized and conducted only for positions which will be left vacant.

Minimum qualifications for BoT members:

Except for its independent members, all elected members of the BoT should have the following characteristics and minimum qualifications:

- a) Should be 18 to 65 years old;
- b) With traits and competencies of a leader, and capable of performing duties and responsibilities of a BoT member;
- c) An active MBA Coordinator for at least one (1) year at the time of nomination for election into the BoT (provided further that the nominee's term of office as an Area Coordinator will not expire during the period of the BoT election);
- d) Recognized as an active member of KCOOP or of other partner organizations of KMBA;
- e) Good and dependable member of KMBA and/or its partner institutions, with 100% repayment rate and 90% attendance in center meetings for a period of not less than three (3) years;
- f) With an existing business set up through a loan from KCOOP or other partner organization of KMBA;
- g) No known/reported interests which could be detrimental to the association, and not a staff or official of other businesses or organization with services that are similar to KMBA and its partner organizations;
- h) Should have no pending administrative, civil, or criminal cases;
- i) Readiness to take on the duties and work of a trustee with no expectation of any commensurate payment, compensation or return.

Nomination and election process for KMBA Board of Trustees

I. Nomination and screening of area coordinators

1. The incumbent KMBA BoT shall set a schedule for the following processes:

- a) Inventory and screening of qualified Area Coordinators
- b) Nomination of Area Coordinators for KMBA-BoT (center level)
- c) Validation/screening of nominees (from Field Office to Election Committee)
- d) Proxy voting (voting by each association member at the center)
- e) Counting and tabulation of proxy votes
- f) Conduct of actual election of KMBA-BoT

KMBA will inform KCOOP about the agreed process and schedule in the conduct of the nomination and proxy voting for the KMBA BoT.

2. Each field office of KCOOP will conduct an inventory of KMBA Area Coordinators, and will determine if the current area coordinators of their branch meet the criteria or minimum qualifications outlined above. The inventory will be done by the KCOOP Field Manager / Satellite Office Manager (SOM) and the KMBA AO, and its output will be a list of potential candidates for the KMBA-BoT.
3. If a Field / Satellite Office's Area Coordinator passes the set criteria for BoT membership:
 - a) The concerned center shall be properly informed, and said Area Coordinator shall be nominated by colleagues during the center's meeting as a candidate for the KMBA BoT;
 - b) Any member who nominated an Area Coordinator as a candidate for the BoT should accomplish/sign a "Nomination Form";
 - c) The minutes of the meeting when the nomination for the BoT was done should be written down in the center's logbook;
 - d) After being nominated, an Area Coordinator should immediately accomplish or sign a "Profile Form".
4. The KCOOP SOM/KMBA AO shall review relevant documents (minutes of meetings, nomination forms, profile forms for nominees/candidates).
5. The Cluster Manager /Satellite Office Manager shall collect all nominations from the Field Officers, do "background checking", and perform another review based on the minimum qualifications for BoT members outlined in these election guidelines before forwarding the documents to the Area Manager / KMBA AO.
6. The Account Officer shall collate all nominations submitted by the Cluster Manager / Satellite Office Manager. After all nominations have been submitted and collated, a Nomination and Election Committee meeting shall be convened to do a second screening based on the minimum qualifications for BoT members. After said meeting, the KMBA Nomination and Election Committee shall forward the shortlist of candidates together with the recommendation letters, nomination forms, and profile forms of selected nominees.
7. The Nomination and Election Committee shall do a cross-checking or validation of the nominees submitted by the Account Officers, and if it is deemed necessary, conduct a second background checking or panel interview.
8. After its screening and validation, the Nomination and Election Committee shall come out with a "Final List of Nominees for the BoT".

NOTE: The Nomination and Election Committee shall oversee the printing of the following documents:

- a) List of qualified nominees

- b) Proxy voter's form
- c) Nomination form
- d) Profile form

The KMBA Accounts Officers shall be in-charge of the distribution of said forms to different KCOOP Field Offices / Satellite Office, and the collection/submission of accomplished forms from the Field Offices /Satellite Office to the KMBA Head Office.

- 9. The committee shall ensure that all Field Offices/ Satellite Office of KASAGANAKA will have enough copies of required documents (i.e., consolidated profiles of BoT candidates, and proxy voter's forms) for the election or proxy voting.
- 10. The Nomination and Election Committee shall call for an orientation meeting with each Field Office / Satellite Office and discuss with the Socio-Economic Officer and SOM the details and process for the election or proxy voting.

II. Process for proxy voting

- 1. During the election for KMBA BoT, the KCOOP SO will discuss with each center the election process. The SO shall distribute to the members the proxy voter's form, with the list of nominees and profile of each candidate, so they can vote.

Only active members/CB (those with current loans in KCOOP /Active members to KMBA) can vote. Substitute voters not allowed, even if they have authorization letters.

- Each member will choose only one (1) nominee from the profile form as proxy vote who will represent her on the election day;
- Only the nominee number shall be written in the proxy votes form and not the name of the candidate;
- The member will sign the proxy votes form after writing down her chosen nominee number;
- At least 80% of all active members of the center should vote, for KMBA to secure a quorum and for the election to be valid;
- No proxy votes form should be left at the center. If the total number of voters does not reach 80% on the first week, the SO shall bring the proxy votes form again the following week until total votes cast in the center reaches 80% of the number of active members;

- Members are not allowed to bring home their proxy votes form. Voting should be done at the center;
2. Accomplished proxy voter's forms shall be collated by the SO and brought to the KCOOP Field Office / Satellite Office, where these will be turned over to the SOM. The SOM will place all accomplished proxy voter's forms in an envelope, and after all centers have voted will notify the KMBA AO. The KMBA Account Officer shall collect all forms and keep these in a secure place at the KMBA office.
 3. After collecting all proxy voter's forms from KCOOP Field Offices / Satellite Office, the Nomination and Election Committee shall tally and count the votes during the period set for such purpose.
 4. After tabulating the votes and consolidating all the accomplished proxy voter's form, the Nomination and Election Committee shall record the results or number of proxy votes for each candidate/nominee. The committee will provide each KCOOP Field Office with a copy of the election results showing the number of proxy votes for each candidate. The results shall be posted or displayed in the Field Offices so that everyone will know the number of votes received or represented by each candidate (Area Coordinator).

III. Actual election process for the KMBA-BoT

1. On the set date of the election, the Election Committee shall explain the election process before initiating actual voting or the voting ceremony.

Apart from the election process, the committee shall discuss the following before commencing with the actual election:

- a) Qualifications, duties, and responsibilities of KMBA BoT members
 - b) Rights of nominees and incumbent BoT members to vote
 - c) Manner and period/time of voting
2. The candidates or nominees shall be introduced to the assembly, and the number of votes that each of them received from the proxy voting in each center's shall be announced.
 3. Only the candidates/nominees for the BoT and the incumbent BoT members shall vote.
 4. Each qualified nominee/candidate shall have the same number of votes as the number of votes she received based on the results of the canvassing of proxy votes done prior to the actual election for the BoT. Each incumbent BoT member shall have only one (1) vote.

5. Each voter shall vote or choose two (2) nominees for BoT and shall write these down on her ballot.
6. After the set time for the election, the Election Committee shall immediately open the ballot box and count the votes for each candidate.
7. After the canvassing of votes, the Election Committee shall organize and record the results in an election results form. Based on the election results form, the committee shall prepare an Election Report to the General Assembly. After its final analysis/consideration of the election results/report, the committee shall announce the results of the election and recognize the Nominees who got the most number of votes.
8. After their declaration as election winners, the new elected members of the BoT together with the remaining Board of Trustees members and the two (2) independent members will elect among themselves for the position vacated. KEEPF representative to the Board shall serve as BoT Secretary.
9. After the election is concluded, an election assessment is being disseminated to voters to provide feedback and appraisal rating on the conduct of election process. The result of this assessment is discussed during Nominations and Election Committee meeting to address best practices and areas of development on the election process.