

Policy on Safeguarding Creditor's Rights

Kasagana Ka Mutual Benefit Association, Inc. (KMBA) may engage to contractual obligations with its creditors in order to improve the capability of KMBA's working capital or for the purpose of funding its short-term and long-term programs. In order to safeguard the interests of its creditors, this policy shall govern all the varieties of the creditor's protection covering its rights and KMBA's obligations as debtor.

KMBA creditors may be referred to as banks, suppliers, other Mutual Benefit Associations, KMBA partner organizations or individuals who have endow credit to the former which give rise to its legal right to demand or recover, provided however, that the credit arises from the former's contractual obligation or commission of tort, a penalty or forfeiture.

Commitment to Creditors

In upholding the moral principles of KMBA, it shall observe integrity in all of its business dealings with its members, partners and creditors. In ensuring such, the Trustees including the officers, the committee members, the management team and the staffs shall;

- a. Observe accountability, transparency and efficiency in all of its business dealings;
- b. Observe due diligence in all aspects of its performance;
- c. Maintain utmost possible standards of integrity in all of its business affairs;
- d. Adhere to the duties and responsibilities embodied in all of its contractual relationships; and
- e. Promote the same values and standards among its members, partners and creditors.

In view to the afore-mentioned, KMBA has the obligation to adhere to the following policies and procedures in favour to its creditors;

- a. To provide the creditors fairly, correctly and accurately, Audited Financial Statements and other periodic reports that is compliant with the financial reporting standards set forth by the law;
- b. To inform the creditors any material information which may affect their transaction documents and credit agreements as well as its business and financial activities;
- c. To notify the creditors in the event that changes were made to the composition of management and/or Board of Trustees, including its authorized representatives;
- d. To efficiently deliver and fulfil its obligations, including but not limited to, settlement of the principal credit, payment of its interest and other conditions set forth by its contractual relationship with the creditor and related regulations of law; and
- e. To observe the rights of creditors in accordance to applicable laws in the Philippines.