

**KASAGANA - KA MUTUAL BENEFIT ASSOCIATION INC.
COMMITTEE CHARTER**

AUDIT COMMITTEE

I. Mission

The Audit Committee shall be directly accountable and responsible to the General Assembly. It shall have the power and duty to continuously monitor the adequacy and effectiveness of KMBA's management control system and to audit the performance of its operations.

II. Duties and Responsibilities

The committee's tasks shall include, but shall not be limited to, the following:

1. Monitor and report to the Board of Trustees on the adequacy and effectiveness of management and control system, and on the performance of its operations and various responsibility centers
2. Review continuously and periodically the organization's books of account and other financial records to ensure that these are in accordance with organizations principles and generally accepted accounting procedures;
3. Submit reports on the results and/or findings of the internal audit and recommend necessary changes in policies and other related matters on operation to the Board of Trustees and the General Assembly;
4. Review audited financial statements and annual reports, and endorse to the full Board of Trustees for approval;
5. In-charge of the appointment of a competent External Auditor
6. Responsible for monitoring and review on the effectiveness of the external auditor's performance and submit reports on the result to the board of trustees.
7. Perform such other functions as may be prescribed in the association's by laws or as authorized by the General Assembly.

III. Authorities

As a Board-level Committee, Audit Committee is authorized to fulfill the duties and responsibilities of the Board of Trustees, vested by the organization's By-laws, internal policies, and those which are specially delegated by the Board of Trustees. This authority extends to providing internal audit service, maintaining a complete record of its examination and inventory, and submission of quarterly financial report, and/or as may be required by the BoT and the General Assembly.

IV. Membership

- a. Delegation - The members of the Committee shall be elected by the General Assembly during the organization's Annual General Meeting.
- b. The Committee shall be composed of at least two (2) Independent members and one board member, where one of which shall be delegated as Chairperson.

V. Meetings

- a. Meeting Frequency – The Committee shall convene regularly once every quarter period. A special meeting may be called for matters which requires urgent attention.
- b. Quorum – The Committee meeting quorum shall represent at least two (2) of the members of the Committee.
- c. Agenda – The Agenda of the meeting shall be prepared by the Senior Management who will be in-charge to present financial reports subject to the review and assessment of the Committee.
- d. Minutes of the Meeting – The minutes of the meeting shall be prepared by the Corporate Secretary of the Board of Trustees.

VI. Support

The management shall report to the Audit Committee results of both Internal Audit and External Audit findings, and responses of respective business units.

VII. Charter Changes

This charter may be changed upon proposal of any members of the Audit Committee, subject to the endorsement of Committee Chairman and approval of the Board of Trustees.

TREASURY COMMITTEE

I. Mission

The Audit Committee shall be directly accountable and responsible to the General Assembly. It shall have the power and duty to continuously monitor the adequacy and effectiveness of KMBA's management control system and to audit the performance of its operations.

II. Duties and Responsibilities

The committee's tasks shall include, but shall not be limited to, the following:

1. Establishment of and changes to the financial, accounting, and treasury policies of the association;
2. All major financing transactions of KMBA, including any actual and/or potential major exception and/or occurrence which has, or may have, significant financial impact on the association;
3. Capitalization of, and guarantees, financial support, undertakings, and indemnities concerning investments or liabilities related to, subsidiaries or associated organizations, other than those which are the subject of an existing general or specific Board or committee approval;
4. Proposed principal agreements with the government, major acquisitions, divestment and property redevelopment; and,
5. Perform such other functions as may be prescribed in the association's by laws or as authorized by the General Assembly.

III. Authorities

As a Board-level Committee, Treasury Committee is authorized to fulfill the duties and responsibilities of the Board of Trustees, vested by the organization's By-laws, internal policies, and those which are specially delegated by the Board of Trustees. This authority extends to providing internal audit service, maintaining a complete record of its examination and inventory, and submission of quarterly financial report, and/or as may be required by the BoT and the General Assembly.

IV. Membership

- a. Delegation - The members of the Committee shall be elected by the General Assembly during the organization's Annual General Meeting.
- b. The Committee shall be composed of five (5) members. Two (2) from KMBA Board, Two (2) from KDCI Board and KMBA General Manager.

V. Meetings

- a. Meeting Frequency – The Committee shall convene regularly once every quarter period. A special meeting may be called for matters which requires urgent attention.

- b. Quorum – The Committee meeting quorum shall represent at least two (2) of the members of the Committee.
- c. Agenda – The Agenda of the meeting shall be prepared by the Senior Management who will be in-charge to present financial reports subject to the review and assessment of the Committee.
- d. Minutes of the Meeting – The minutes of the meeting shall be prepared by the Corporate Secretary of the Board of Trustees.

VI. Support

The management shall report to the Audit Committee results of both Internal Audit and External Audit findings, and responses of respective business units.

VII. Charter Changes

This charter may be changed upon proposal of any members of the Treasury Committee, subject to the endorsement of Committee Chairman and approval of the Board of Trustees.

RISK MANAGEMENT COMMITTEE CHARTER

I. **Mission**

The Risk Management Committee shall be in charge of the management of both financial and non-financial risks of the organization, continuously monitor these risks and ensure that internal controls are in place. RMC shall promote a risk management culture across the organization by nurturing the business units with sufficient knowledge on preventing and foreseeing risk events.

II. **Duties and Responsibilities**

The Risk Management Committee shall be in charge of the periodical monitoring of organization's inherent and potential risks, including effectiveness of internal control systems, specifically:

- Monitoring and implementing an the internal control environment which focuses on operational risks, internal and external audits and credit assurance
- Perform regular reviews of KMBA's risk exposures (i.e., market, insurance, credit, operations, liquidity, regulatory capital, etc.) and recommend the necessary mitigation and other management actions to limit, control or monitor such exposures;
- Ensure that risk management within its areas of responsibility is implemented based on the organization's risk management strategy
- Coordinate with the Audit Committee in reviewing and confirming the disclosures on organization's risk governance activities which shall be fair and understandable;
- Advise the BoT on risks inherent in transactions and business plans, management's responsiveness to the committee's inputs/recommendations; and any perceived new and emerging risks or, failures of existing control measures

- Continuously improving risk management policy, strategy and supporting framework subject to the Board's Approval
- Review KMBA's risk management framework and recommend appropriate policies and standards to the Board of Trustees for approval;
- Perform such other functions as may be prescribed in the association's bylaws or as authorized by the General Assembly.

III. Authorities

As a Board-level Committee, Risk Management Committee is authorized to fulfill the duties and responsibilities of the Board of Trustees, vested by the organization's By-laws, internal policies, and those which are specially delegated by the Board of Trustees. This authority extends to the monitoring of organization's material risk exposures.

IV. Membership

- a. Delegation - The members of the Committee are appointed by the General Assembly during the organization's Annual Meeting.
- b. Composition - The Committee shall be composed of five (5) members: three (3) board members and two (2) area coordinators, where one of which shall be delegated as Chairperson.

V. Meetings

- a. Meeting Frequency – The Committee shall convene regularly once every quarter period. A special meeting may be called for matters which requires urgent attention.
- b. Quorum – The Committee meeting quorum shall represent at least three (3) of the members of the Committee.
- c. Agenda – The Agenda of the meeting shall be prepared by the Chief Risk Officer (CRO) who will be in-charge to present risk management reports subject to the review and assessment of the Committee.
- d. Minutes of the Meeting – The minutes of the meeting shall be prepared by the Corporate Secretary of the Board of Trustees.

VI. Support

The Chief Risk Officer (CRO) shall directly report to the Risk Management Committee.

VII. Charter Changes

This charter may be changed upon proposal of the Chief Risk Officer or any members of the Risk Management Committee, subject to the endorsement of Board Risk Oversight Committee and approval of the Board of Trustees.

BOARD RISK OVERSIGHT COMMITTEE

I. Mission

The Board Risk Oversight Committee (BROC) sets the tone and culture of effective risk governance structure and sets the organizational risk strategies. The BROC shall closely work with the Risk Management Committee in addressing material risks which may have operational and financial impact.

II. Duties and Responsibilities

The Board Risk Oversight Committee shall be in charge of overseeing the management of both financial and non-financial risks of the organization and continuous assessment of the functionality and effectiveness of risk governance structure, specifically:

1. Quarterly reassessment of top risks of the organization and challenge the effectiveness of controls imposed
2. Identification of organizations extent, risks strategies setting and formulation of high-level objectives for risk mitigation initiatives
3. Reviews organization's portfolio of risks as against risk appetite
4. Conduct of post review to evaluate reliability of initial risks assumptions and make necessary adjustments to strategies in place to offset future risks impact
5. Reporting significant financial and non-financial risks to Board of Trustees, including those with material breaches
6. Evaluation of emerging risks, and to provide recommendations to mitigate risk impact to the company's financial condition and operations
7. Perform such other functions as may be prescribed in the association's bylaws or as authorized by the General Assembly.

III. Authorities

As a Board-level Committee, Board Risk Oversight Committee is authorized to fulfill the duties and responsibilities of the Board of Trustees, vested by the organization's By-laws, internal policies, and those which are specially delegated by the Board of Trustees.

IV. Membership

- a. Delegation - The members of the Committee shall be composed of at least Three (3) independent directors which are elected by the General Membership during the organization's Annual General Meeting.
- b. The BROC Chairperson is not the chairman of the Board or any other committee.
- c. Has relevant and thorough knowledge and experience on risk and risk management.

V. Meetings

- a. Meeting Frequency – The Committee shall convene regularly once every quarter period. A special meeting may be called for matters which requires urgent attention.
- b. Quorum – The Committee meeting quorum shall represent at least two (2) of the members of the Committee.
- c. Agenda – The Agenda of the meeting shall be prepared by the Chairperson of the BROC who will be in-charge to present risk management reports subject to the review and assessment of the Committee.
- d. Minutes of the Meeting – The minutes of the meeting shall be prepared by the Corporate Secretary of the Board of Trustees.

VI. Support

The Chief Risk Officer (CRO) and Risk Management Committee shall closely coordinate with the Board Risk Oversight Committee on the implementation of risk governance structure and risk management framework.

VII. Charter Changes

This charter may be changed upon proposal of any members of the Audit Committee, subject to the endorsement of Committee Chairman and approval of the Board of Trustees.

RELATED PARTY TRANSACTION COMMITTEE

I. Mission

The Related Party Transaction Committee (RPT) shall closely work with the Audit Committee to ensure that significant RPTs or any conflict of interest shall be address and conducted in the best interest of KMBA and its members.

II. Duties and Responsibilities

- Responsible for reviewing all material related party transactions of the company
- Disclose the relationship or interest which could constitute possible conflict of interest in the future
- Disclose the name of the Related party within the organization, value and nature of each transaction
- Provide timely, comprehensive and meaningful information to Audit Committee for review and approval of the RPT

III. Structure

- Composed of at least Three (3) non-executive directors.
- Majority of the member is Independent Trustee including the Chairman

IV. Meetings

- a. Meeting Frequency – The Committee shall convene regularly once every quarter period. A special meeting may be called for matters which requires urgent attention.
- b. Quorum – The Committee meeting quorum shall represent at least two (2) of the members of the Committee.
- c. Agenda – The Agenda of the meeting shall be prepared by the Chairperson of the BROCC who will be in-charge to present risk management reports subject to the review and assessment of the Committee.
- d. Minutes of the Meeting – The minutes of the meeting shall be prepared by the Corporate Secretary of the Board of Trustees.

V. Support

The Chairman of Audit Committee and Related Party Transaction Committee shall closely coordinate with the Board Risk Oversight Committee on the implementation of risk governance structure and risk management framework.

VI. Charter Changes

This charter may be changed upon proposal of any members of the Audit Committee, subject to the endorsement of Committee Chairman and approval of the Board of Trustees.