



CORPORATE GOVERNANCE MANUAL

**KATILIBANONG KAANGAYAN PARA SA KASEGUROHAN UG
KALAMBUAN – MUTUAL BENEFIT ASSOCIATION (4K-MBA), INC.
(formerly *RBT-MBA, Inc.*)**

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CHAPTER I: INTRODUCTION

Brief History

Forty nine (49) years had passed, that was December 1965, a Christmas party was held at municipal hall of Talisayan attended by both local officials and guests from Manila. Being the oldest town in Misamis Oriental and founded during Spanish time, guest were discussing how to help in developing and improving the town after being visited by a calamities. One of the guest, named Col. Alejandro Go Beltran asked the Mayor on how he can be of help to the people of Talisayan. The mayor quickly replied, "Why not established a rural Bank"? At that time the Central Bank was promoting a banking system in every town to develop the countryside. By March 10, 1966 the Rural Bank of Talisayan was opened and promoted to the people particularly of the said locality.

The bank in which the vision and mission is to uplift the less privileged sector of the society and its financial empowerment to the people continued to serve from different walks of life and focused on financing coconut farmers and fisher folks. The bank survived from up and down of our economic condition brought during the dark days of our country's history. When Martial law was declared year 1972 and followed by the collapsed of our economy, many rural banks from nearby towns folded up and shutting down. But RBTalisayan stood up and operated continuously since 1966 and being awarded as one of the best managed rural bank in the country by the Central Bank of the Philippines.

On 1997, one of the sons of the founder takes the lead as a new President after the death of the founder Col Alejandro Go Beltran and a new systems and approached were introduced to the management of the bank. It was the time when another financial crisis hit the Asian countries including the Philippines. While other banks, even commercial bank stop extending loans, Rural Bank of Talisayan did not stop from releasing loans that is badly needed by the farmers.

In 1999 a MABS programmed jointly sponsored by Philippine government and USAID with the RBAP as the project holder, introduced a micro finance program for those enterprising poor in the countryside mostly women. While RBTalisayan was established more than 30 years, lending to poor women without collateral were not accepted and considered a high risk as to operation of the bank. Infact, some bankers from the old schools were considered poor people as unbankable. Rural banks were used to require hard collateral from their farmer borrowers to qualify for the rediscounting privileged offered by Central Bank. MABS introduced the individual lending to established business for expansion or additional operating capital. Bank assigned one (1) Account officer in every area of operation and visits them daily/weekly for collection.

Since MABS program do not provide funds for relending to micro finance, the bank applied for a credit line worth Php5 million with PCFC as a pilot program using the Grameen technology of group lending. It was the technology introduced by PCFC. Borrowers were required to attend

the compulsory group training. Account officer will collect the payment weekly and include savings deposit as an added service being provided by the bank.

During the formulation of the loan product, one of the debated issues was “who will pay the loan in case the borrowers die?” During the time, Talisayan was devastated again caused by floods that resulted to collapse the bridge of Sta. Ines a barangay of Talisayan. Luckily and amazingly no one was hurt on that incident. The people used to have their life insurance coverage from a private company collected weekly up to maximum of 5.00 per week but the company ceased to operate 10 years ago after the financial crisis in 1984. Some doesn't even know what happened to their money after paying for a number of years. Some still remembered the jingle song that says” kapalaray di mawari wag magpapakasakali ipanatag ang buhay, ang pamilya ay liligaya Kong nakasiguro ka.”

An insurance company used to covered the regular loans of the bank was introduced in giving the bank extra income. However, as the loans become bigger clients start to complaint of the deductions and were demanding for hospital benefit coverage and also to include their family in the coverage. They preferred to pay the premium weekly together with their weekly amortization through their designated account officers. Since the collection of the contribution is through the account officers, the RBTalisayan board of directors feels that minimal expenses are very much possible to include the marketing of the product. Since the members themselves will own this, it is a way of empowering them and allowing the poor to chart their owned destiny.

After learning the success of CARDMBA in one of the symposium on Micro Finance, (micro insurance is one of the basic services of microfinance) the President of RBTalisayan informed the board for the possibility of forming another mutually supporting organization to handle the micro insurance of the bank. A survey was conducted through the assistance of CARD and RIMANSI and was confirmed that poor people are capable to manage their owned organization if given a chance under the guidance of the bank management and staff. The chairman of the AGB Foundation, another mutually supporting organization formed by the bank 3 years ago in order to catered microfinance clients in areas not covered by the bank, also supported the idea to include the AGB clients in the MBA membership.

On November 25, 2005 during the regular board meeting of RBTalisayan, held at Grace Village, Quezon City a resolution no. 81 passed the following resolution, as it is hereby resolved to organize the MBA, a non-stock, non-profit association and to implement the operation by January 1, 2006 subject to the rules and regulations of the Micro Insurance Program under the SEC and Insurance Commission.

On January 2006, the approved resolution was realized. The birth of RBT-MBA. On the same month, the first assembly of members was called to elect interim officers. It was agreed during the said meeting that the membership should be opened to all Rural Bank of Talisayan and AGB staffs and clients of microfinance program. It was also agreed that the MBA officers shall be mixed coming from the three groups in order to assure the fairness representation and shared leadership of the MBA. If the President elected from microfinance borrower the vice president should be

given to the employee of the bank or AGB. The Treasurer must be coming from the bank. The standard committees required by Insurance commission and or SEC must be followed.

Purpose of 4K-MBA:

1. To extend financial assistance to its members, spouse, children and parents in the form of death benefits, sickness benefits, provident savings and loan redemption assistance;
2. To insure continued access to benefits /resources by actively involving the members in the direct management of the association that will include implementation of policies and procedures geared towards sustainability and improved services;
3. To ensure compliance with administrative and regulatory issuances, rulings and directives by professionalizing the association, management, research and development, and technical services operations. Thru and in partnership with the RIMANSI Organization for Asia and the Pacific;
4. To do or cause to be done any or more of the acts and things herein set forth as its purpose within the Philippines.

RBT-MBA was named after its founding institution RBT Bank (formerly RBTalisayan). After years of operation of RBT-MBA, Bangko Sentral ng Pilipinas issued a memorandum that all banks are not allowed to engage any other business. Last March 2014, SEC (Securities and Exchange Commission) and IC (Insurance Commission) approved the change of name of the association from Rural Bank of Talisayan Mutual Benefit Association (RBT-MBA) to Katilingbanong Kaangayan para sa Kasegurohan ug Kalambuan (4K-MBA).

At present 4K-MBA (formerly RBT-MBA) Board of Trustees composed of clients from our partners namely RBT Bank, ECG Foundation, Partner coops and Rural Banks. We also have our own marketing officers to market individual interested Filipino to be part-owner of the association. 4K-MBA also partnered with DSWD their 4p's beneficiaries, currently the municipality of Balingasag and Claveria for the Misamis Oriental and the municipality of Malitbog in Bukidnon are being served. The MBA will be the hope of the Filipino people to be covered by insurance services through microfinance technology, after the commercial insurance companies considered them as non-insurable; and through partnership with small cooperatives/association.

PART I: 4K-MBA Vision, Mission and Values Statement

Vision:

“ A top micro insurance provider in the Philippines”

Mission:

” To deliver quality social protection and insurance services to Filipino families”

Values:

God-loving

Honesty

Excellence

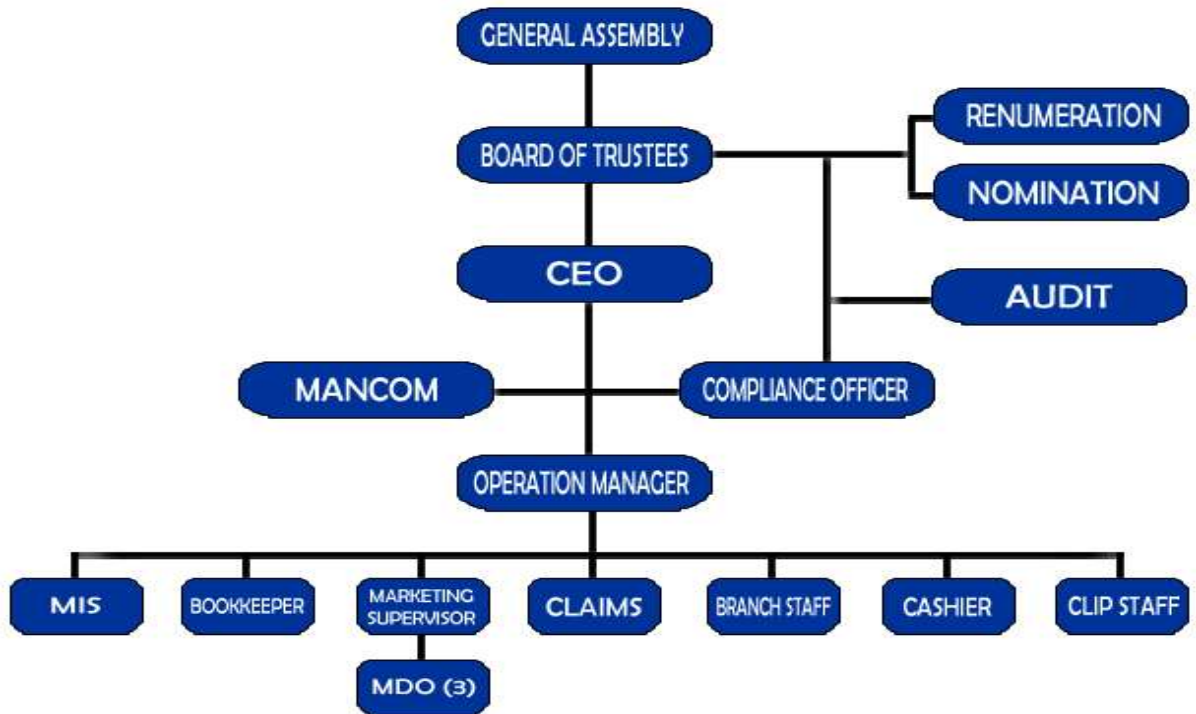
Accountability

Commitment

Thrift

Respect

PART II: Organizational Structure



PART III: Overview of Programs

4K-MBA provides a micro-insurance program for the poor. It has the following products:

1. Basic Life Insurance Program (BLIP) with disability and health benefits

-The benefits given by the 4K- MBA, which covers the member, the spouse, the children from 90 days old up to not more than 21 years old single, children more than 21 years old single but Total Permanent Disable, the parents not more than 65 years old for single members, the common law partner, and one sibling 90 days old up to not more than 21 years old and single for members who no longer has a living parents.

- Natural Cause of Death
- Accident
- Total Permanent Disability

Table of Benefits

LENGTH OF MEMBERSHIP	CAUSE OF DEATH or TOTAL & PERMANENT DISABILITY	MEMBER	DEPENDENTS	
			SPOUSE/COMMON LAW PARTNER	CHILDREN/ PARENTS/ SIBLING
Three (3) months or less from the date of effectivity or last date of reinstatement	Due to Pre-existing Conditions	None	None	None
	Due to Natural Death	None	None	None
	Due to Accident	20,000.00	none	None
More than three (3) months up to one (1) year from the date of effectivity	Due to Pre-existing Conditions	1,000.00	None	None
	Due to Natural Death but not Pre-existing Conditions	20,000.00	5,000.00	3,000.00
	Due to Accident	40,000.00	5,000.00	3,000.00
Six(6) months after the date last of reinstatement	Due to Pre-existing Conditions	20,000.00	5,000.00	3,000.00
More than one (1) year up to two (2) years	Due to Natural Death	25,000.00	7,000.00	4,000.00
	Due to Accident	50,000.00	7,000.00	4,000.00
More than two (2) years	Due to Natural Death	30,000.00	10,000.00	5,000.00
	Due to Accident	60,000.00	10,000.00	5,000.00
Medical allowance of P250.00 per day, maximum of four (4) days per year of membership upon hospital confinement of the member or his/her dependent/s, provided the member is more than three (3) months from the date of membership or three (3) months after the date of last reinstatement				

2. Credit Life Insurance Plan (CLIP)

- CLIP is insurance on the life of a DEBTOR in connection with a specific loan or other credit transaction of five years' duration or less, to provide payment equivalent to the outstanding loan balance of the loan to a CREDITOR and a return of total principal payments to the BENEFICIARIES, in the event of death of a DEBTOR.

PART IV: Commitment to Good Corporate Governance

Katilingbanong Kaangayan para sa Kasegurohan ug Kalambuan - Mutual Benefit Association (4K-MBA) Inc. is committed in the promotion of corporate good governance within its organization and among its members. Together with the Board of Trustees and Management, 4K-MBA will remain steadfast in monitoring the performance of the organization, strive to make good and sound decisions, and will hold its governing board accountable for its execution in achieving our corporate goals.

The Corporate Governance Manual shall serve as its guide in ensuring the organizations practice of good governance, sustainability and its continuous commitment to its stakeholders in providing efficient and innovative programs and services for the growth of the community in which we operate.

PART V: Objective of the Manual

This manual aims to institutionalize the principles of good corporate governance in the entire organization in order to enhance the accountability of the Association's Trustees, management and employees. It aims to embody the national policy to institute corporate governance reforms.

The board of trustees, management and employees believe that corporate governance is a necessary component of what constitutes sound strategic business management and undertake every effort necessary to create awareness within the organization. The regulatory responsibility to protect the interests of the policyholders demands that the insurers have in place, good governance practices for maintenance of solvency, sound long term investment policy and assumption of underwriting risks on a prudential basis.

PART VI: POLICY REVIEW AND UPDATING

General Policy on the Review and Updating of Existing Policies

This Manual including the Association's VMG may be amended and updated anytime, subject to the approval of the Board. An Ad Hoc Committee shall be created to lead the review and updating of this manual together with the management.

Monitoring and Evaluation

The Compliance Officer shall be specifically tasked with the responsibility of ensuring compliance with this Manual. Any violation against the content of this Manual shall subject the responsible officer or employee to appropriate sanction in accordance to the Personnel Manual.

This Manual shall be subject to an annual review unless the same frequency is amended by the Board.

All business processes and practices being performed within any department or business Unit of the Association that is not consistent with any portion of this Manual shall be revoked unless upgraded to the compliant extent.

PART VII: Definition of Terms

Corporate Governance – the framework of rules, systems and processes in the corporation that governs the performance by the Board of Trustees and Management of their respective duties and responsibilities to the members;

Members - the clients and at the same time the owner association.

Board of Trustees – the governing body elected by the members that exercises the corporate powers of 4K-MBA, conducts all its business and controls its properties;

Management – the body given the authority by the Board of Trustees to implement the policies it has laid down in the conduct of the business of the association;

Independent trustee – a person who, apart from his fees and shareholdings, is independent of management and free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with his exercise of independent judgment in carrying out his responsibilities as a trustee;

Executive director – a director who is also the head of a department or unit of the corporation or performs any work related to its operation;

Internal control – the system established by the Board of Trustees and Management for the accomplishment of the association's objectives, the efficient operation of its business, the reliability of its financial reporting, and faithful compliance with applicable laws, regulations and internal rules;

Internal control system – the framework under which internal controls are developed and implemented (alone or in concert with other policies or procedures) to manage and control a particular risk or business activity, or combination of risks or business activities, to which the corporation is exposed;

Internal audit – an independent and objective assurance activity designed to add value to and improve the association’s operations, and help it accomplish its objectives by providing a systematic and disciplined approach in the evaluation and improvement of the effectiveness of risk management, control and governance processes;

Internal Auditor – the highest position in the association responsible for internal audit activities. If internal audit activities are performed by outside service providers, he is the person responsible for overseeing the service contract, the overall quality of these activities, and follow-up of engagement results.

Stakeholders- refer to group of company, persons who has interest with the association

CHAPTER II. GOVERNANCE STRUCTURE

PART I: The Board of Trustees

1. Composition

The Board of Trustees of Katilingbanong Kaangayan para sa Kasegurohan ug Kalambuan-Mutual Benefit Association (4K-MBA), Inc. shall consist of nine (9) members, elected by the active members and three (3) Independent Trustees appointed by the elected Board of Trustees. The board of trustees composition is as follows:

- a. One (1) trustee for the position of Treasurer is appointed by the elected board of trustees and approved during General Assembly
- b. Five (5) from active members from partners
- c. Three (3) independent directors

2. Qualifications of Trustee

The minimum qualification to be elected as a member of the board of trustees:

1. Must be 21 to 65 years old
2. Leadership skills and competence is necessary to execute the duties of a trustee;
3. A recognized active beneficiary member of 4K-MBA
4. Has been a very active member of 4K-MBA for three years and above
5. Has no pending administrative, civil or criminal case
6. Does not engage in any business or activity similar to or in competition with the business of or services offered by 4K-MBA
7. Willing to perform functions of a trustees without any remuneration

An officer or an employee of the any affiliates of the association may be elected as a member of the board of trustees provided the above criteria are met.

3. Disqualification of Trustees

No member convicted by final judgment of an offense punishable by imprisonment for a period exceeding six (6) years, or a violation of the Corporation Code of the Philippines committed within five (5) years prior to the date of his/her election or appointment, shall qualify as a Trustee or Officer. In addition, a member whose membership has been terminated due to various reasons, and/or has resigned from membership with 4K-Mutual Benefit Association (4K-MBA), Inc. or any of its affiliates, shall also be disqualified from being a Trustee or Officer.

The following constitute grounds for the temporary disqualification of a trustee:

1. Individuals who decline to fully disclose the extent of their business interest when required, as specified by applicable law, circulars, memoranda, or rules and regulations of the Insurance Commission. Disqualification remains in effect as long as the refusal persists.
2. Trustees who have been absent or have not participated in over fifty (50%) of all meetings, both special and regular meetings of the Board of Trustees during their term, or within any twelve (12) month period during said term. This disqualification applies for the purpose of subsequent elections.
3. Individuals convicted of offenses related to dishonesty, breach of contract, or violation of insurance laws, provided that the conviction has not yet become final and executory.
4. Trustees and officers of closed insurance companies and insurance intermediaries pending clearance from the insurance commission.
5. Trustees disqualified for failing to observe or discharge their duties and responsibilities as prescribed by existing regulations.

6. Trustees who failed to attend special seminar on corporate governance, or any seminar related to his/her function. This disqualification applies until the trustee concerned has attended such a seminar.
7. Individuals dismissed or terminated from employment for cause. This disqualification remains in effect until they have cleared themselves of involvement in the alleged irregularity.
8. Under preventive suspension
9. Individuals with derogatory records with the NBI, court, and police, involving the violation of any law, rule, or regulation of the government or any of its instrumentalities, adversely affecting integrity and/ or the ability to discharge the duties of a trustee. The disqualification applies until they have cleared themselves of involvement in the alleged irregularity.
10. Delinquency in the payment of obligations in the association or its related companies where he/she is an officer or a trustee. The disqualifications remains in effect as long as the delinquency persists.

4. Multiple Board Seats

The maximum number of trusteeships/directorships that its members can hold in stock and non-stock corporations is up to five (5). The optimum number should take into consideration the capacity of a trustee/director to diligently and efficiently perform his/her duties and responsibilities.

5. Term of Office

The elected members of the Board of Trustees shall serve beginning immediately following their election for a term of three (3) years until their successors shall have been elected. Provided, that no member shall serve as member of the Board of Trustees for more than three (3) consecutive terms.

6. Duties, Functions & Responsibilities of the Trustee

General Responsibility

Unless otherwise provided by law, the corporate powers of Katilingbanong Kaangayan para sa Kasegurohan ug Kalambuan - Mutual Benefit Association (4K-MBA) Inc. shall be exercised, all business conducted and all properties of the association controlled and held by the Board of Trustees subject to approval of the majority of its members.

Powers, Duties and Functions

Without prejudice to such powers as may be granted by law, the Board of Trustees shall have the following powers:

1. To promulgate rules and regulations consistent with the by-laws, and to review, revise or amend the same when it deems necessary for the management of the association's business and affairs.
2. To purchase, receive, take or otherwise acquire for and in the name of 4K-Mutual Benefit Association (4K-MBA), Inc. any and all properties, rights, or privileges, including securities and bonds of other corporations (private or government), for such consideration and upon such terms and conditions as the Board may deem proper or convenient.

3. To invest the funds of 4K-Mutual Benefit Association (4K-MBA), Inc. in other corporations or for purposes other than those for which the association was organized, subject to such approval of the members as may be required by law.

4. To incur indebtedness as the Board may deem necessary, to issue evidence of indebtedness including notes, deeds of trust, bonds, debentures, or securities, subject to such approval of the members as may be required by law, and/or pledge, mortgage, or otherwise encumber part of the properties of 4K-Mutual Benefit Association (4K-MBA), Inc.

5. To establish pension, retirement, bonus, or other types of incentives or compensation plans for the members, employees, including officers and Trustees of 4K-Mutual Benefit Association (4K-MBA), Inc.

6. To prosecute, maintain, defend, compromise, submit arbitration or abandon any lawsuit in which 4K-Mutual Benefit (4K-MBA), Inc. or its officers are either plaintiffs or defendants in connection with the affairs of 4K-Mutual Benefit Association, Inc.

7. To implement the by-laws and to act on any other matter not covered by the By-laws, provided such matter does not require the approval or consent of the members of 4K-Mutual Benefit Association (4K-MBA), Inc. under the Corporation Code.

8. To appoint and dismiss any employee of 4K-Mutual Benefit Association (4K-MBA), Inc. whether regular, probationary, casual, or contractual, fix or adjust their salaries and all other personnel movements.

9. To delegate any of its powers or function to an executive committee or to any officer of 4K-Mutual Benefit Association (4K-MBA), Inc. to any standing or special committee or to any officer or agent and to appoint any person to be an agent of 4K-Mutual Benefit Association (4K-MBA), Inc.

10. To approve all contracts for construction and major repairs or maintenance work, and other contracts involving significant amounts.

11. To approve all contracts involving the sale of non-current assets.

Vacancy in the Board

In the event of a vacancy on the board of trustees, excluding cases of removal by members or expiration of the term, the remaining trustees may fill the vacancy through a vote, requiring at least a majority if they constitute a quorum. If a quorum is not met, the members must fill the vacancy through a regular or specially convened meeting for that specific purpose. A trustee appointed to fill a vacancy will serve only for the remainder of the term originally held by their predecessor.

Board Self-Assessment

The Board shall undertake an evaluation of its performance as a collective body, its Committees and senior management to determine whether they are functioning effectively, pinpoint areas for improvement and ensure that the President is providing effective leadership to the Group. The Board shall report the results of the self-assessment to its stakeholders. The assessment must be conducted during the board meeting preceding the General Assembly.

Orientation of New Trustees

That the initial or organizational meeting of a newly elected Board of Trustees shall be held immediately after the conclusion of the General Assembly at which they are elected. All new board/elected trustees shall undergo an orientation in regards to their duties and responsibilities, a recap on the vision and mission of the association, new policies and products of the association.

Trainings and Seminars of the Board of Trustees

All new board of trustees are required to undergo training on AMLA (Anti-Money Laundering Act) and Good Governance. Board of Trustees in relation to their position are required to attend seminars and trainings conducted by the Insurance Commission, and other reputable institutions that offer trainings and seminars that will enhance the knowledge and ability of the Board of Trustees to lead the association. All re-elected trustees may opt to attend the AMLA seminar as the needs arise.

PART II: Independent Trustees

Independent Trustees is a non executive trustee who helps the association in improving the association's credibility and governance standards. The Independent Trustee does not have any kind of relationship with the association that may affect the independents of his judgment.

Independent Trustee will serve as such for a maximum term of nine (9) years. After the term, an independent director may be appointed again after one (1) year of not being a part in the association. Independent trustees are appointed by the board of trustees and is defined as an individual who:

1. At least 35 years old and above.
2. Has not served as a trustee, officer, or employee of the association, its subsidiaries, affiliates, or related companies within the past three (3) years prior to their election or appointment.
3. Has not held positions as a director, officer, employee of significant stockholders of the Association or their related companies within the past three (3) years prior to their election or appointment.
4. Is not a relative within the (4th) degree of a director, officer, or shareholder with significant shares in the covered entity or its related companies or substantial shareholders.

5. Is not acting as a proxy or representative for any director or significant shareholder of the Association, its related companies, or substantial shareholders.
6. Has not provided professional services such as advisory, auditing, consulting, agency, or legal counsel to the association, its related companies, or substantial shareholders, either personally or through their firm, within the past three (3) years prior to their election or appointment.
7. Maintains independence from management and refrains from engaging in any business or personal transactions with the covered entity, its related companies, or substantial shareholders that could materially interfere with or influence their judgement except for arm's length transactions.
8. Has not been appointed to positions such as Chairman "Emeritus", Ex officio", Regular Directors, officers, or members of any Advisory Board within the covered entity, its subsidiaries, affiliates, or related companies.
9. Is not associated with any non-profit organization that receives significant funding from the covered entity, its related companies, or substantial shareholders

PART III: Officers of the Board

The officers of 4K-MBA Board of Trustees shall be composed of a President, Vice President, Board Secretary, and Treasurer. They shall be elected by the Board of Trustees from among themselves. The Secretary is appointed by the board of trustees. The Treasurer is appointed by the board of the trustees and voted by the assembly. The term of office of the officers shall be co-terminus with the Board which elected/appointed them, unless sooner removed from office by a majority vote of all the members of the Board of Trustees. The officers of 4K-MBA may be removed from office for a cause, including nonfeasance or misfeasance of duties, violation of By-laws, conduct detrimental to the interest of the Association, incompetence and/or loss of confidence.

1. President

The President is tasked with presiding over all meetings of the Association's members and executing resolutions set forth by the Board of Trustees. Additionally, they are responsible for directing and overseeing the activities of 4K- Mutual Benefit Association, Inc. They are required to present a comprehensive report on the association's activities and operations during their term, to both the Board and the annual meeting attendees, promptly after the fiscal year concludes.

Their roles and duties encompass various responsibilities, including:

- a. Ensuring that meeting agendas prioritize strategic matters, such as the corporation's overall risk tolerance, considering developments in business and regulatory landscapes, key governance issues, and significant operational challenges.
- b. Ensuring the Board receives accurate, timely, relevant, concise, and insightful information to facilitate informed decision-making.
- c. Encouraging constructive debate and leveraging the skills and expertise of individual directors to facilitate discussions on critical issues.
- d. Ensuring that the Board rigorously questions and examines reports and representations provided by management.
- e. Providing adequate orientation for new directors and continuous training opportunities for all trustees.
- f. Overseeing the annual evaluation of the Board's performance and ensuring that discussions and follow-ups occur as necessary.

2. Vice President

The Vice Chairman, if qualified, shall exercise all powers and perform all duties of the president during the absence or incapacity of the latter and shall perform duties that maybe assigned by the Board of Trustees.

3. Board Secretary

The Board Secretary shall have the following specific powers and duties:

- a. Safeguarding and maintaining the accuracy of the minutes from Board and committee meetings, along with other official records of the corporation
- b. Staying informed about pertinent laws, regulations, governance directives, industry trends, and corporate operations, and advising the Board and Chairman on relevant matters.
- c. Facilitating transparent communication between the Board, management, shareholders, and other stakeholders, while maintaining fairness and objectivity.
- d. Providing guidance on the establishment and terms of reference for board committees.
- e. Ensuring timely distribution of meeting agendas to Board members in accordance with by-laws, and furnishing them with accurate information to facilitate informed decision-making.
- f. Attending all Board meetings, except under exceptional circumstances like illness or family emergencies.
- g. Fulfilling necessary administrative responsibilities.
- h. Supervising the drafting of by-laws to ensure compliance with regulatory standards.
- i. Undertaking any additional duties and responsibilities as assigned by the Board.

4. Treasurer

The Treasurer shall have the following duties:

- a. To keep full and accurate accounts/records of the receipts and disbursements of 4K-MBA.
- b. To take and have custody of, and be responsible for all the funds, securities, bonds, and certificates of titles of 4K-Mutual Benefit Association (4K-MBA), Inc.

- c. To monitor the deposit under the name of 4K-Mutual Benefit Association (4K-MBA), Inc. in such banks as may be designated from time to time by the Board of Trustees, all the money, funds, securities, bonds and similar valuables belonging to 4K-Mutual Benefit Association (4K-MBA), Inc. which may come under his/her control.
- d. To present an annual statement showing the financial condition of 4K-Mutual Benefit Association (4K-MBA), Inc. and such other financial reports as the Board of Trustees or the President may require from time to time.
- e. To help in the preparation of such financial reports, statements, certifications and other documents that may, from time to time, be required by government rules and regulations and to submit the same to the proper government agencies.
- f. to pay all authorized expenses by check and effect petty cash payments in accordance with policies and procedures approved by the Board of Trustees
- g. To assist management in retrieval of all receivables of 4K-Mutual Benefit Association (4K-MBA), Inc. from whoever they may be due.
- h. To prepare and submit to the Board of Trustees for consideration and approval the annual budget on or before its regular meeting and furnish a copy of the approved annual budget.
- i. To ensure that all expenditures are duly authorized and are for the best interest of 4K-Mutual Benefit Association (4K-MBA), Inc.
- j. To post a bond in such amount as may be required by the Board of Trustees.
- k. To suspend or withhold payments of accounts incurred not in accordance with the policies of the Board of Trustees or which are otherwise irregular or improperly authorized; and
- l. To perform such other duties as may be assigned by the President, the General Manager and the Board of Trustees

PART IV: The Board of Advisers

The Board of Advisers is a five-member body whose main task is to assure policy and operating coordination between 4K-MBA and Partners Institutions. This board has informal yet important day-to-day contact with 4K-MBA management, and frequent interaction with the MBA President. The Board of Advisers also provides significant formal oversight of the MBA and the Trustees in terms of management, policies, regulatory compliance and governance.

Who can be considered as Board of Advisers:

1. A retired Board of Trustees
2. A retired employee from its partner's institutions

PART V: The Board Committees

The Board shall constitute the proper committees to assist it in good corporate governance.

1. **Audit Committee** shall be comprised of independent board members of good standing preferably with accounting and finance experiences. The Audit Committee's role encompasses overseeing senior management in establishing and maintaining an effective internal control framework, ensuring systems and processes provide assurance in various areas, including reporting, compliance, operational efficiency, and asset safeguarding. Comprising a minimum of three appropriately qualified non-executive trustees, with a majority being independent, the committee members must possess relevant expertise in accounting, auditing, and finance. It convenes regularly to fulfill its obligations.

Outlined responsibilities of the audit committee include:

- a. Recommending the Internal Audit Charter's approval, overseeing its implementation.
- b. Monitoring the adequacy and effectiveness of internal controls, financial reporting integrity, and asset security through the Internal Audit Department.

- c. Coordinating with External Auditors on audit scope, expenses, and coordination with multiple firms, if necessary.
- d. Evaluating and approving non-audit work of External Auditors, ensuring independence and disclosing such work in corporate reports.
- e. Reviewing and approving financial statements, focusing on accounting policies, judgments, adjustments, compliance, and going concern assumptions.
- f. Reviewing recommendations in the External Auditor's management letter.
- g. Providing oversight of both Internal and External Auditors, ensuring independence and access to necessary resources.
- h. Facilitating compliance with laws and regulations.
- i. Recommending the appointment, removal, and fees of the External Auditor accredited by the Insurance Commission.
- j. Undertaking additional tasks designated by the board as necessary.

The committee shall meet at least quarterly at the head office of 4K-MBA Inc. The members of the Audit Committee shall not be entitled to any salary but shall be entitled to per diem and reimbursement of actual expenses for attendance of official meetings equal to those received by members of the board of trustees. It shall serve for three years, or co terminus with the Board of Trustees.

2. Nomination and Election Committee which shall be composed of at least three (3) members of the board of trustees, one of whom must be independent;

- Review and evaluate the qualifications of all persons nominated to the Board as well as those nominated to other positions requiring appointment by the Board of Trustees.
- It should prepare a description of the roles and capabilities required of a particular appointment.

- The nomination committee is hereby vested sole authority to conduct and supervise the elections for the members of the Board of Trustees and other officers and proclaim the winners. The nomination committee shall likewise be the judge of all electoral contests, including questions on the qualification of candidates and its decision shall be final unless appealed to the Board of Trustees whose decision shall be final. Further, the nomination committee may be tasked to supervise the election of 4K-MBA.
- The elected members of the nomination committee shall serve immediately after their election until the next election.
- May deputize such personnel of the head office of the 4K-MBA which it may deem necessary to enable it to perform its function.

3. Remuneration Committee- shall be composed of at least three (3) members, one of whom is an independent director.

- It shall judge or make plans where to position the company relative to other companies. But shall comparisons shall be used with caution in view of the risk of an upward ratchet of the level of remuneration with no corresponding improvement in performance.
- It shall delegate responsibilities for setting up remunerations for all executive directors and Chairman, including pension rights or any compensation payments.
- It shall also recommend and monitor the level and structure of salaries including remunerations for senior management. The definition of senior management for this purpose shall be determined by the Board but would normally include first level management below Board level

4. RISK Management Committee which shall be composed of at least three (3) members of the board of trustees, one of whom must be independent; exercises shared responsibility for surfacing and managing the operational risks facing the association. The Committee is tasked with

supporting the Board in establishing and maintaining an effective, integrated risk management process. This includes overseeing the development of an Enterprise Risk Management (ERM) framework to identify, monitor, assess, and manage key business risks. The committee will define the Company's risk tolerance level and provide oversight of risk management policies and procedures to mitigate threats to operational and financial viability. Additionally, the committee may seek advice from independent experts, especially regarding strategic transactions. It's essential to note that the committee chairman should not hold the position of the Board of Trustees chairman. Meetings will be held semi-annually or as needed to fulfill its duties effectively.

The responsibilities of the risk oversight committee include:

- a. Developing a formal enterprise risk management plan.
- b. Identifying and evaluating the association's risk exposure.
- c. Assessing the likelihood and potential financial impact of identified risks.
- d. Formulating risk management strategies.
- e. Supervising the implementation of the risk management plan and discussing current risks based on management reports.
- f. Reviewing and updating the risk management plan for relevance and effectiveness.
- g. Providing oversight of management's activities in managing various risk exposures.
- h. Regularly reporting material risk exposures to the Board and recommending further action.
- i. Undertaking other duties within its scope or as assigned by the Board.

The Board may also organize the following committees:

5. **An Executive Committee** which shall consist of not less than three (3) and not more than five (5) to be chosen by the Board of Trustees from among themselves to monitor the operations and finances of 4K-MBA to ensure that decisions of the Board are executed by management; and, where urgent circumstances require, to act for and in behalf of the Board on such matters subject

to such guidelines and limitations duly approved by the Board. The concurrence of at least a majority of the members of the Executive Committee shall be necessary to make an Executive Committee decision valid. All business transactions by the Executive Committee shall be subject to confirmation by the Board of Trustees at its next scheduled meeting;

6. Other Special Committees, it may deem necessary, with not less than three (3) nor more than five (5) members each with such specific duties as it may deem proper. Ad hoc committees may be created by the Board as the need arises.

PART VI: Internal Control Responsibilities of the Trustees

The control environment of the association consists of (a) the Board which ensures that the association is properly and effectively managed and supervised; (b) a Management that actively manages and operates the corporation in a sound and prudent manner; (c) the organizational and procedural controls supported by effective management information and risk management reporting systems; and (d) an independent audit mechanism to monitor the adequacy and effectiveness of the association's governance, operations, and information systems, including the reliability and integrity of financial and operational information, the effectiveness and efficiency of operations, the safeguarding of assets, and compliance with laws, rules, regulations and contracts.

The minimum internal control mechanisms for the Board is to ensure the separation of duties are performing in accordance to the defined control environment of the association.

PART VII: Board Meetings

Quorum Requirements

In all regular or special board meetings, at least fifty percent (50%) of all members of the board plus one percent (1%) must be present and at least one (1) Independent Trustee in order to constitute a quorum. If no quorum is constituted, the meeting shall be adjourned until the requisite number of board members shall be present.

Regular and Special Meetings

The Board of Trustees shall meet regularly once every three months at the main office of 4K-MBA unless otherwise previously agreed upon by the members of the Board of Trustees. A special or emergency meeting of the Board of Trustees may be called by the President or the Secretary upon request of a majority of the incumbent members of the board and at least three (3) days notice to all members of the board. Notice of any meeting of the board is provided either through text, online messages via Messenger within the group chat created, or email.

Online Meetings

The Board of Trustees are allowed to participate or even cast a vote during meeting through audio or video conferencing. They are still considered as present during the said meeting.

Members of the board who opt for this method must inform the President and the Secretary at least two (2) days prior to the scheduled meeting for the support staff to make all the necessary preparations needed, and to ensure that all reading materials needed by the board are received (minutes of the meeting, agenda etc.)

PART VIII: Board Appointments and Re-elections

The Board of Trustees shall be elected every three years by majority of its members during its annual meeting.

The independent trustee shall be appointed by the incumbent Board of Trustees. Notwithstanding the foregoing, for the duration that the Association is under conservatorship of the Insurance Commissioner, the independent trustee shall be appointed by, and shall serve at the pleasure of the Insurance Commissioner.

PART IX: Remuneration of the Members of the Board and Officers

The members of the Board shall not receive any salary but shall be entitled to gratuity, per diem and reimbursement of all necessary expenses incurred on account of attendance in committee and board meetings provided that all entitlement, benefit, emoluments received shall be subject to the approval by majority vote of the Board of Trustees. Board of Trustees absent during meetings, no per diem will be given. The association allocates Php 1,000 per annum, multiplied by the number of years for BOT service of 9 years and above, or for 3 consecutive years of service once they retire.

PART X: Organizational Management (or MANCOM)

The Management stands as the center of decision-making for the day-to-day affairs of the organization. It determines the organization's activities by putting the targets set by the Board in concrete terms and by implementing basic strategies for achieving these targets.

Management is also responsible to the Board for implementing the infrastructure for the organization's success through the following mechanisms in its organization as set by the Board:

A. Organizational structures that work effectively and efficiently in attaining the goals of the organization;

B. Useful planning, control, and risk management systems that assess risks on an integrated cross functional approach;

C. Information systems that are defined and aligned with an information technology strategy and the business goals of the organization;

D. A plan of succession that formalizes the process of identifying, training and selection of successors in key positions within the organization.

The following key positions states their organizational functions:

1. The Compliance Officer

To ensure the Association's adherence to the guidelines on corporate governance set herein, the President of the Board shall designate a Compliance Officer. He shall have direct reporting responsibilities to the President of the Board/Governance Committee, and shall be tasked to perform the following duties:

- a. Monitor compliance with the provisions and requirements of this Manual;
- b. Determine violations of the Manual and recommend appropriate sanctions and/or penalties for violation thereof, for further review and approval of the Corporation's Board of Trustees;
- c. Identify, monitor, and control compliance risks;
- d. Appear before government agencies, if necessary; and
- e. Annually prepare and submit to the Office of the Insurance Commission (IC) a Corporate Governance Scorecard as required by the Code of Corporate Governance before deadline set by IC.

2. Chief Executive Officer

The General Manager of the association shall have the charge of the day to day operations of 4K-

MBA, Inc. and exercise the following functions:

- a. To execute all resolutions of the Board of Trustees.
- b. To submit to the Board as soon as possible after the close of each fiscal year, and to the members of each annual meeting, a complete report of the activities and operations of the association for the fiscal year under his/her term.
- c. To represent 4K-MBA Inc. in all functions and proceedings.
- d. To appoint, remove, suspend or discipline employees of 4K-MBA Inc. prescribe their duties and determine their salaries subject to confirmation by the Board of Trustees.
- e. To execute in behalf of 4K-MBA Inc. all contracts, agreements and other instruments affecting the interest of 4K-MBA, Inc. which may require approval of the Board of Trustees unless otherwise directed by the Board.
- f. To supervise and manage the business affairs and activities of 4K-MBA Inc. under the direction of the Chairman and the Board of Trustees.
- g. To implement the administrative and operational policies of 4K-MBA, Inc.
- h. To oversee the preparation of the budgets and the statements of accounts of the association.
- i. To coordinate the work of the various operating divisions and services,

maximize the productive inputs of their personnel and continually work to upgrade the quality of service to members.

j. To coordinate with the different standing committees of 4K-MBA, Inc.

k. To conduct such studies and submit recommendations to the Board of Trustees in matters related to investment, the use of facilities and development projects including the examinations of contracts entered into by 4K-MBA Inc.

l. To attend and render a report in the monthly meeting of the Board of Trustees.

m. To perform such other duties as are incident to his office or are entrusted to him by the Chairman and Board of Trustees. (As amended on March 16, 2013)

PART XI: External Auditor

The external auditor shall be appointed by the members at the annual general meeting. It is tasked to conduct an independent audit of the Group's financial statements and render an opinion thereof based on the results of the audit.

a) We only engage external auditors who are accredited by the Insurance Commission.

b) Either the external auditor must undergo a change or the lead and concurring partners must rotate every five years, or sooner.

c) External auditors cannot be engaged if they or any immediate family member have had or currently have any direct or indirect financial interests.

d) The external auditor and audit team members have no affiliations with the Association.

e) The external auditor must not have provided internal audit functions, information systems design, implementation and assessment, or any other services that could compromise independence to the Association within the past year.

f) The external auditor, along with the auditor-in-charge and audit team members, are committed to upholding the highest standards of professional conduct, adhering to relevant ethical and technical standards such as Generally Accepted Auditing Standards (GAAS) and the Code of Professional Ethics for certified public accountants.

PART XII: Internal Auditor

The organization shall have in place an independent audit function, through which the organization's Board, senior management, and stockholders may be provided with reasonable assurance that its key organizational and procedural controls are effective, appropriate, and complied with. The Board shall appoint an Internal Auditor to carry out the audit function, and shall require the Internal Auditor to report to the Audit Committee that will allow the internal audit function to fulfil its responsibilities without impediment. The Internal Auditor operates independently, objectively and separately from other departments of the association.

Responsibilities of the Internal Auditor

- Conducting financial audits to verify the accuracy, validity, and integrity of financial data.
- Conducting compliance audits to ensure adherence to external regulations, industry best practices, and internal policies.
- Performing operational audits to assess the efficiency of business processes.
- Conducting management audits to evaluate the effectiveness of leadership in achieving set objectives.
- Performing information systems audits to review control measures in automated systems, ensuring data accuracy and integrity.

Independence and Access of the Internal Auditor

- The Internal Auditor operates autonomously and impartially, distinct from other departments, divisions, and offices within the Association.

- The Internal Auditor has unrestricted access to all relevant activities, information, records, properties, and personnel pertaining to internal audit functions.

Reporting Structure and Authority

- The Internal Auditor directly reports to the president and has unimpeded access to the board through its audit committee.
- The Internal Auditor is empowered to track the institution's progress in addressing issues raised.

Resources, Methodologies, and Practices

- The Internal Auditor is provided with necessary resources, including budget and staffing, to fulfill its mandate.
- The skills, competencies, and experience of the Internal Auditor is align with the Association's needs and risk profile.
- Continuous professional development opportunities are provided to enhance the capabilities of the Internal Auditor
- The internal audit manual, approved by the board, outlines policies, standards, and procedures related to administrative, personnel, and audit functions.

Adherence to Standards and Continuous Improvement

- Audit policies, methodologies, and procedures are tailored to the Association's activities and associated risks.
- These methodologies comply with professional standards for internal auditing.
- Regular reviews ensure that audit practices evolve in response to changing organizational dynamics and risk profiles.
- Activities of Internal Auditor is monitored to ensure compliance with approved methodologies and standards.

Audit Process and Reporting

- The Internal auditor audits the association twice (2) a year.

- Audit findings, responses, and review outcomes are meticulously documented.
- Audit reports are presented during exit meetings with appropriate management personnel.
- Discussions with staff precede exit meetings to facilitate timely resolution of recommendations.
- The audit committee diligently tracks progress on outstanding recommendations beyond exit meetings.

Planning

- A robust audit planning process defines objectives, coverage, and schedules.
- Plans are based on the Internal Auditor's assessment of significant activities and associated risks.
- The board reviews and approves audit plans and schedules.
- Resources, including time and budget, are clearly outlined in the audit plan.
- Regular reports to the board, via the audit committee, update on Internal Auditor achievements compared to the approved plan.
- Audit plans undergo regular review and adjustment to accommodate changes such as budget constraints or staff turnover.

PART XIII: Disclosure of Third Party Transactions and Other Conflict of Interest

Members of the Board ensures proper disclosure of all approved RPTs (Related Party Transaction) in accordance with applicable legal and regulatory requirements and confirmation by majority vote on the Annual General Meeting the Association's significant transactions with related parties.

The 4K- Mutual Benefit Association's guideline stipulates that transactions involving related parties must be conducted at arm's length. This ensures that any consideration exchanged by the Company or its subsidiaries in such transactions is not less favorable than terms available to unrelated third parties in similar circumstances. The objective of this guideline is to outline the procedures for entering into related party transactions.

This directive is applicable to managers and senior managers, recognizing that related party transactions present a conflict of interest as defined in the Association's Corporate Governance framework. Importantly, this policy is designed to align with all relevant laws and regulations, and in the event of any inconsistency, legal requirements supersede.

Managers are obligated to disclose all company transactions to the Board of Trustees through the company secretary, with any modifications to these disclosures promptly communicated. Trustees and managers must promptly notify the board through the company secretary of any proposed related-party transactions upon awareness. Moreover, any trustee or manager involved in such transactions must seek board approval beforehand.

In cases where board members have conflicts of interest, they are barred from participating in discussions or voting on related transactions. The board is responsible for deciding on related party transactions involving a trustee, particularly in the absence of that trustee.

CHAPTER III: CODE OF CONDUCT AND ETHICS FOR TRUSTEES

The members of the Board have adopted the Code of Conduct and Ethics for Trustees. It describes the behavioral standards expected from a trustee so that he/she can better understand and meet the expectations and requirements of the organization and regulators.

Included in the Code are the standards of conduct for ensuring the proper discharge of the duties and responsibilities, basic principle that a trustee should not use his position to make profit or to acquire benefit or advantage for himself and/or his related interests, avoiding situations that would compromise his impartiality; maintaining professional integrity; enhancement of skills, knowledge and understanding of association activities, etc.

All employees and board of trustees are expected to observe the Association's Code of Ethics.

CODE OF ETHICS

The search for excellence begins within myself, to do the best in each of my conscious acts; must be a goal that as an individual must strive for, to bring meaning into my life and to give meaning to those who were touch by my existence. This is my code of ethics:

I should be proud of my job and the company I represent.

My constructive criticism should not be of people but of processes. They should be in truth and must be given in a friendly manner.

I commit to continuous search for efficiency of myself and of my department.

I should not abuse my position for personal gain or for self satisfaction.

I should stand firm where there is conflict of interest on the side that favors the company.

I should not use confidential information for private profit.

I should have genuine concerns with the problems and development of the people in my department. I should treat them fairly, humanely and lead by example. I should assure that all reasonable access and appeal to superiors are warranted.

I should deal fairly with my colleagues and will not ensure personal advantages at their expenses.

I admit the importance of proper communication and dissemination of information, especially when it affects the required performance of someone else.

I should at all time dress and attire myself in a manner befitting my position.

I should serve as an example for punctuality and commitment for others to follow.

I must strictly observe office hours and utilize it for productive purposes.

I am perfectly conscious of the code of ethics which I am expected to observe to the latter.

I am in search for EXCELLENCE. A search that nobody else can but only ME.

CHAPTER IV: MANAGEMENT SUCCESSION PLANNING

The Board, in coordination with the Corporate Governance Committee, shall ensure that the Association has in place an appropriate and updated succession planning for key executives to address emergency in the event of extraordinary circumstances and ensure continuity of operations

Based on the current position of 4K-MBA, which is temporarily allowed to have a maximum of 10 employees, the succession planning is as follows:

1. If the CEO resigns or something unexpected happens, the current Operations Manager will take over with the guidance of the Executive Committee (Members of the Board) until the Operations Manager is ready.
2. If the Operations Manager resigns or something unexpected happens, the current CEO will take over.
3. If the Auditor resigns or something unexpected happens, the association will seek assistance from the external auditor.
4. For supervisor positions, the Operations Manager will temporarily take over until management can hire internally or externally for the position.

CHAPTER V: MEMBERS

PART I: Duties and Responsibilities of Member:

A member shall have the following duties and responsibilities:

- A. To obey and comply with the by-laws, rules and regulations that may be promulgated by the association from time to time;
- B. To attend all meetings that may be called by the Board of Trustees;
- C. To pay membership dues and other assessments of the association.
- D. To participate in the governance and to protect the fund of the association.
- E. Continuously give suggestions and comments on how to better run the association.

PART II: Rights of a Member

A member shall have the following rights:

- A. To exercise the rights to vote on all matter relating to the affairs of the association;
- B. To be eligible to any elective or appointive office of the association;
- C. To participate in all deliberations/meetings of the association;
- D. To avail of all the facilities of the association;
- E. To examine all the records or books of the association during business hours.

Voting Right

Members shall be entitled to one vote, and they may vote whether in person or by proxy which shall be in writing and filed with the Secretary of the association before the scheduled meeting.

Quorum

During any regular or special member meeting, it is required that a quorum be constituted, which consists of at least fifty percent (50%) of all members in good standing, plus one (1), either present or represented by proxy. The proxy authorization is only valid for the specified meeting date. If a quorum is not achieved, the meeting will be adjourned until the necessary number of members are present.

Power of Inspection

All members shall be allowed to inspect association's books and records including minutes of Board meetings and performance reports in accordance with the Corporation Code, and shall be furnished with annual reports, financial statements, without costs or restrictions

Right to Information

The members shall be provided, upon request, with information about the organization's governance board members and partnerships made with other organization. The members shall have access to any information relating to matters for which the management is accountable. They shall also be allowed to propose items in the agenda of meetings, provided that the suggested item is valid, legitimate and related to the organization's business.

Other members' benefits

The MBA shall align unassigned surplus to the following: a) enhancing equity value; b) developing operating systems; c) research and development; d) member education and training; e) community development services, and f) product development.

PART III: Notice of Annual General Meetings (AGM)

The Board of Directors shall be transparent and fair in the conduct of the annual general meetings. The members shall be encouraged to attend personally or by proxy such meetings of the stakeholders in a place easily accessible to all members. They shall be given the opportunity to ask and receive answers to their questions relating to the organization. A summary of the questions asked and answers given will be included in the Minutes of the Annual General Meeting and posted on the MBA website. The rights of the members shall be promoted and impediments to the exercise of those rights shall be removed. An adequate avenue shall be provided for the members to seek timely redress for breach of such rights. Appropriate steps shall be taken to remove excessive or unnecessary costs and other administrative impediments to the members' participation in meetings whether in person or by proxy.

A. Participants during the General Assembly

1. An ownership meeting per barangay per area of operation is conducted 4-5 months prior to the schedule of the General Assembly. During the barangay meeting, policies are reviewed and studied, and a representative will be chosen to attend the district meeting. A proxy form will be given to the group, and the members will sign it. The proxy forms serve as the number of votes that the district representative will represent during the election time.
2. The district meetings are attended by representatives from each barangay. There will be an election for the district representative, who will represent the area during the general assembly.

B. Election Process During the General Assembly

Scheduled General Assembly: The list of candidates will be posted on the Facebook page of the 4K-MBA, and all district representatives will also receive information about the candidates.

During the general assembly, all candidates will be presented to the assembly.

Process of Selection:

1. The 4K-MBA management and board will ask partner institutions (RBT BANK, ECG FOUNDATION, and other partner institution) if they have members whom they can recommend to be trustees.
2. Account Officers from RBT BANK and ECG FOUNDATION will provide a letter of recommendation endorsed by their supervisor and manager. Other partner institutions will provide their endorsement letters to the 4K-MBA.
3. When the 4K-MBA receives the endorsement letters, the audit, together with the nomination committee head, will conduct a special screening of the nominated members.
4. The nomination committee will conduct their screening based on the criteria set by the board of trustees.
5. After the screening process, the secretary and the head of the election committee will release the official list of candidates along with their backgrounds through the Facebook page and a text brigade to all district representatives.

CHAPTER VI: STAKEHOLDERS

PART I: The Role of Stakeholders

The corporate governance framework should recognize the rights of stakeholders established by law or through mutual agreements and encourage active co-operation between corporations and stakeholders in creating wealth, jobs, and the sustainability of financially sound enterprises.

1. The rights of stakeholders that are established by law or through mutual agreements are to be respected.
2. Where stakeholder interests are protected by law, stakeholders should have the opportunity to obtain effective redress for violation of their rights.
3. Performance-enhancing mechanisms for employee participation should be permitted to develop.
4. Where stakeholders participate in the corporate governance process, they should have access to relevant, sufficient and reliable information on a timely and regular basis.
5. Stakeholders, including individual employees and their representative bodies, should be able to freely communicate their concerns about illegal or unethical practices to the board and their rights should not be compromised for doing this.

PART II: Feedback and Grievance Policy for Stakeholders

Mechanism for Redress of Grievances

1. A policy that requires customer complaints to be taken seriously and outlines the steps to their investigation and resolution
2. A call hotline and text message system is implemented for customer complaints. A facebook page is also created for information dissemination, for queries and concerns and for complains.
3. All staff are trained to handle complains and follow proper procedures to resolve issues.
4. Flow chart – develop a process that outlines who is supposed to handle what and how complaints are elevated (e.g. step-by-step processes for time frame of resolution)

A. MEMBERS

Complains from the partners with branch staff:

1. The branch staff of the partners are required to conduct area visitation, within the scope of their area of assignment, every week to handle customer concerns and queries.
2. Branch staff are also required to report once a week on their reporting office/branch to facilitate members' queries, payments, filing of claim and any other transactions related to the association.

Complains from the direct member catered by the Development Officer

1. The Marketing Development Officer can automatically handle the complains, queries and any other related inquiries by the members since once a month the MDO is collecting their payment.
2. If there are members who has a complain regarding their MDO, members were given an official number for them to call found on their passbook and receipts

B. PARTNER AGENT

1. To ensure safety and protection between the partners, a memorandum of agreement is made between the association and the partner agent. It is stated on the MOA the duties and responsibilities of the association and the partner agent.
2. Partner institutions affiliated to the association as collecting agent may asked and address directly their complains to the Executive Director in regards to procedures implemented by the association. Once a year, a re-orientation is done to all the partner agents to review new and old policies and procedures implemented, for the agents assigned in the field to give their feedbacks in regards to the product and services of the association.

Management will meticulously record and monitor all complaints and grievances, along with their respective resolutions, and conduct thorough analyses to detect potential trends. This data will serve as valuable insights to guide future adjustments in policies and procedures.

PART III: Role of the Association to the Society

As part of the community, the association supports activities that are in line with the association's vision and mission. The association conducts medical mission to the areas served by the partner agent and the association, sports activities like walkathon, sponsoring a mass wedding event; conducts tree planting activities; and other activities that could help promote the association's advocacy.

ANNEX



4K- Mutual Benefit Association, Inc.

Sebastian Building Tiano-Echem St., Cagayan de Oro City

PERFORMANCE ASSESSMENT OF BOARD OF TRUSTEES

Name: _____ Position: _____

Rating: _____

Assessment Criteria	Strongly Agree	Agree	Disagree	Strongly Disagree
	1	2	3	4
<i>Roles and Responsibilities</i>				
1. I know have full knowledge and understanding of my role and responsibilities as a board of trustees				
2. I understand the mission and vision of the association				
3. I understand each program/services of the association including the desired results from each.				
4. The structural pattern is clear to me (board, officers, committees, executive and staff)				
5. Effectively represents the organization to the community				
6. I am actively involved in any fund raising activities of the association.				
<i>Board Meetings</i>				
1. All board meetings are scheduled and announced				
2. Meeting materials are provided before meetings for members to review the materials in preparation for the upcoming meeting				
3. I regularly attend the scheduled board meeting				
4. I help in attending to policy related decisions which guide the activities of the board and senior staff				
5. I ensure that each topic on the agenda receives sufficient attention. If more time is needed for a topic,I will extend time				
<i>Board Policies</i>				
1. I am aware that the board has up-to-date, approved and implemented conflict-of-interest policy.				

2. I help in ensuring that the board policies are reviewed and updated as necessary.				
Boards Role on legal matters				
1. I help in ensuring that the association complies with all the licensing requirement mandated by law (taxes, IC licenses, etc.)				
Strategic Planning				
1. I make sure that I am able to participate in relevant and realistic strategic planning, at least annually.				
2. I join in monitoring the status of implementation of the strategic plan				
3. Strategic plan is communicated to all relevant stakeholders				
Boards role in oversight of programs				
1. All programs are aligned with the organization's mission				
2. Regularly monitors and evaluates progress toward strategic goals and each program's performance.				
Boards role in oversight of financial activities				
1. Receives accurate and timely reports on status of finances, including as compared to plans and conformance to relevant rules and regulations				
Board participation and morale				
1. I actively participate in Board activities				
2. We value and trust each other, and feel we can rely on each other to effectively perform our roles				
3. We operate in planful, proactive manner, rather than reactive, crisis-driven manner.				
Boards oversight of personnel management				
1. I regularly involve myself in evaluating the Chief Executive Officer				
2. Participates in approving comprehensive personnel policies				

RECOMMENDATIONS: _____

Ratee's Signature:

Rater's Signature



4K- Mutual Benefit Association, Inc.

Sebastian Building Tiano-Echem St., Cagayan de Oro City

PERFORMANCE ASSESSMENT OF COMMITTEES

Name: _____ Position: _____

Rating: _____

Assessment Criteria	Strongly Agree	Agree	Disagree	Strongly Disagree
	1	2	3	4
7. Do we have the right people in the committee?				
8. Are we focused on the goals and objectives of the association?				
9. Do we set clear expectations for management?				
10. Do we practice transparency among the committee members, management and third parties?				
11. Do we speak our minds?				
12. Do we build consensus?				
13. Do we encourage and actively support continuing education relevant to our committee?				
14. Do other board members not part of the committee receive enough information to help them understand the decision of the committee.				
15. Are we receiving the right amount of quality information from the management, external and internal auditors, and				

external consultants?				

RECOMMENDATIONS: _____

Ratee's Signature:

Rater's Signature
