

B. EQUITABLE TREATMENT OF SHAREHOLDERS

B.1. Share and voting rights

B.1.1.	Do the company's ordinary or common shares have one vote for one share?	<p>OECD Principle III (A) All shareholders of the same series of a class should be treated equally. (1) Within any series of a class, all shares should carry the same rights. All investors should be able to obtain information about the rights attached to all series and classes of shares before they purchase. Any changes in voting rights should be subject to approval by those classes of shares which are negatively affected.</p> <p>ICGN 8.3.1 Unequal voting rights Companies ordinary or common shares should feature one vote for one share. Divergence from a 'one-share, one-vote' standard which gives certain shareholders power which is disproportionate to their equity ownership should be both disclosed and justified.</p>	<p>Y <i>(Default)</i></p>	<p>MEMABA Amended By-Laws Article II – Meeting of Members Section 5 – Voting During the General Membership Meeting Page 4</p> <p>http://memaba.com.ph/wp-content/uploads/2016/06/2015-Memaba-ByLaws.pdf#page=4</p> <p><i>“At every meeting of the members of the Association, every member present shall be entitled to one vote in any matter either in person or by proxy who must also be a member of the Association which shall be made on a prescribed form furnished by the Association and duly signed by the member, except in the election of the members of Board of Trustees as provided under Section 3 Article III hereof where cumulative voting is allowed.”</i></p>
B.1.2.	Where the company has more than one class of shares, does the company publicize the voting rights attached to each class of shares (e.g. through the company website / reports/ the stock exchange/ the regulator's website)?		<p>Y <i>(Default)</i></p>	<p>MEMABA Manual on Corporate Governance 4. Policy on Dividends Page 18</p> <p>http://memaba.com.ph/wp-content/uploads/2015/06/Manual_Corp_Gov_Memaba.pdf#page=18</p> <p><i>“The Association as a non-stock and non-profit corporation which was incorporated to provide a system of death, sickness, or other mutual benefits and to render mutual aid and assistance to its members and their families who sustained serious physical injuries or suffered personal damages due to natural calamities, is a tax-exempt business entity and thus is prohibited by law to declare dividends to its members. All of its income derived from its operations inure to the direct benefit of its members by way of an increase in its Legal Policy Reserve and Equity. However, as its internal policy and pursuant to the provisions of the Insurance Code, it is mandated to refund to its members the 50% of such</i></p>

				<p><i>member's total contribution, in cases, where such members voluntarily or involuntarily disassociates himself/herself from the Association.</i></p> <p><i>Members however is entitled to one (1) vote on a cumulative voting on any issues set forth by the Board for the members' in the Association's Annual General Membership Meeting upon notice to each member where at said meeting all the acts and resolutions of, as well as transactions entered into by, the Board are disclosed to all the members in the said notice and likewise posted in the Association's offices.</i></p>
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B.2. Notice of AGM

B.2.1.	Does each resolution in the most recent AGM deal with only one item, i.e., there is no bundling of several items into the same resolution?	<p>OECD Principle II (C) Shareholders should have the opportunity to participate effectively and vote in general shareholder meetings and should be informed of the rules, including voting procedures, that govern shareholder meetings: (1) Shareholders should be furnished with sufficient and timely information concerning the date, location and agenda of general meetings, as well as full and timely information regarding the issues to be decided at the meeting. (3) Effective shareholder participation in key corporate governance decisions, such as the nomination and election of board members, should be facilitated.</p> <p>OECD Principle II (A) All shareholders of the same series of a class should be treat equally. (4) Impediments to cross border voting should be eliminated.</p> <p>ICGN 8.3.2 Shareholder participation in governance</p>	Y	<p>MEMABA Notice of the 2017 Annual General Membership Meeting</p> <p>http://memaba.com.ph/category/news/page/5/</p> <p>Agenda are as follows:</p> <ol style="list-style-type: none"> 1. <i>Call to Order</i> <i>The Chairman, Mr. Richard O. Ochava, will call the meeting to order.</i> 2. <i>Introduction of the Members of the Board of Trustees and Officers; and Reading of Ground Rules to be Observed during the Meeting</i> <i>The Chairman will introduce the members of the Board of Trustees and Officers for year 2017. The Corporate Secretary, Ms. Bulaklak A. Vivas, will explain the ground rules that will be observed during the meeting, intended to ensure fair, orderly and efficient proceedings, and, ultimately, the protection of the rights of all the members.</i> 3. <i>Proof of Notice of the Meeting</i> <i>The Corporate Secretary will certify that written notices of the meeting have been served to all members of record as of 31 August 2017.</i> 4. <i>Determination of Quorum</i> <i>The Corporate Secretary will certify the number of attendees present, either in person or represented by proxies, to determine the existence of a quorum as provided for in Association's By-Laws.</i>
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Shareholders should have the right to participate in key corporate governance decisions, such as the right to nominate, appoint and remove directors in an individual basis and also the right to appoint external auditor.

ICGN 8.4.1 Shareholder ownership rights

The exercise of ownership rights by all shareholders should be facilitated, including giving shareholders timely and adequate notice of all matters proposed for shareholder vote.

- 5. *Approval of the Minutes of the Previous Annual General Membership Meeting held on 13 December 2016.*
The members will be asked to approve the Minutes of the Annual General Membership Meeting held last 13 December 2016. The copies of the Minutes are made available for examination during office hours at the Association’s office and posted at the Association’s website: www.memaba.com.ph.
- 6. *Report of the Chairman of the Board of Trustees*
The Chairman will deliver his report on the financial and operating results of the Association as of November 2017.
- 7. *Ratification of the Acts of the Board of Trustees*
The members will be asked to approve and ratify all Resolutions passed by the Board of Trustees; and all the acts made by the Management for the success of the Association during the year 2017.
- 8. *Election of the Members of the Board of Trustees for the Year 2018-2019*
The Members will be given the opportunity to individually elect the Trustees who will serve for the year 2018-2019 by ballots. The Chairman will explain the rules to be observed in election and canvassing of the ballots. The Corporate Secretary will announce the names of the nominees for the election of Regular Trustees and Independent Trustees. The Election Committee will report the votes received by each nominee and will declare the seven (7) nominees for the Regular Trustees and two (2) nominees for Independent Trustees who received the highest number of votes as the duly elected Trustees.

The profile of each nominee is contained in the document accompanying this Notice.
- 9. *Other matters:*
The Chairman will allow a reasonable opportunity for members to ask questions or make comments on the management of the Association.

				<p>10. <i>Adjournment:</i> <i>After discussing and/or resolving all matters included in the agenda, the Chairman will declare the adjournment of the meeting.</i></p>
B.2.2.	Are the company's notices of the most recent AGM/ circulars fully translated into English and published on the same date as the local-language version?		Y	<p>MEMABA Notice of the 2017 Annual General Membership Meeting</p> <p>http://memaba.com.ph/category/news/page/5/</p>
B.2.3.	<p><i>Do the notice of AGM/ circulars have the following details:</i></p> <p>Are the profiles of directors/ commissioners (at least age, academic qualification, date of first appointment, experience, and directorships in other listed companies) in seeking election/ re-election included?</p>		Y	<p>MEMABA Notice of the 2017 Annual General Membership Meeting Agenda No. 8 – Election of the Members of the Board of Trustees for Years 2018-2019</p> <p>http://memaba.com.ph/category/news/page/5/</p> <p>8. <i>Election of the Members of the Board of Trustees for the Year 2018-2019</i></p> <p><i>The Members will be given the opportunity to individually elect the Trustees who will serve for the year 2018-2019 by ballots. The Chairman will explain the rules to be observed in election and canvassing of the ballots. The Corporate Secretary will announce the names of the nominees for the election of Regular Trustees and Independent Trustees. The Election Committee will report the votes received by each nominee and will declare the seven (7) nominees for the Regular Trustees and two (2) nominees for Independent Trustees who received the highest number of votes as the duly elected Trustees.</i></p> <p><i>The profile of each nominee is contained in the document accompanying this Notice.</i></p>

B.2.4.	Are the auditors seeking appointment/ re-appointment clearly identified?		Y	<i>Because the Board of Trustees appoint the auditors who will do the audit of the Association for the year.</i>
B.2.5.	Has an explanation of the dividend policy been provided?		N/A	<p>MEMABA Manual on Corporate Governance Policy on Dividends Page 18</p> <p>http://memaba.com.ph/wp-content/uploads/2015/06/Manual_Corp_Gov_Memaba.pdf#page=18</p> <p><i>“The Association as a non-stock and non-profit corporation which was incorporated to provide a system of death, sickness, or other mutual benefits and to render mutual aid and assistance to its members and their families who sustained serious physical injuries or suffered personal damages due to natural calamities, is a tax-exempt business entity and thus is prohibited by law to declare dividends to its members. All of its income derived from its operations inure to the direct benefit of its members by way of an increase in its Legal Policy Reserve and Equity. However, as its internal policy and pursuant to the provisions of the Insurance Code, it is mandated to refund to its members the 50% of such member’s total contribution, in cases, where such members voluntarily or involuntarily disassociates himself/herself from the Association.</i></p> <p><i>Members however is entitled to one (1) vote on a cumulative voting on any issues set forth by the Board for the members’ in the Association’s Annual General Membership Meeting upon notice to each member where at said meeting all the acts and resolutions of, as well as transactions entered into by, the Board are disclosed to all the members in the said notice and likewise posted in the Association’s offices.</i></p> <p><i>The Association has no subsidiary company whatsoever.”</i></p>

B.2.6.	Is the amount payable for final dividends disclosed?	<p>OECD Principle II (A) All shareholders of the same series of a class should be treated equally. (4) Impediments to cross border voting should be eliminated.</p> <p>ICGN 8.3.2 Shareholder participation in governance Shareholders should have the right to participate in key corporate governance decisions, such as the right to nominate, appoint and remove directors in an individual basis and also the right to appoint external auditor.</p> <p>ICGN 8.4.1 Shareholder ownership rights The exercise of ownership rights by all shareholders should be facilitated, including giving shareholders timely and adequate notice of all matters proposed</p>	N/A	<p>MEMABA Manual on Corporate Governance Policy on Dividends Page 18</p> <p>http://memaba.com.ph/wp-content/uploads/2015/06/Manual_Corp_Gov_Memaba.pdf#page=18</p> <p><i>“The Association as a non-stock and non-profit corporation which was incorporated to provide a system of death, sickness, or other mutual benefits and to render mutual aid and assistance to its members and their families who sustained serious physical injuries or suffered personal damages due to natural calamities, is a tax-exempt business entity and thus is prohibited by law to declare dividends to its members. All of its income derived from its operations inure to the direct benefit of its members by way of an increase in its Legal Policy Reserve and Equity. However, as its internal policy and pursuant to the provisions of the Insurance Code, it is mandated to refund to its members the 50% of such member’s total contribution, in cases, where such members voluntarily or involuntarily disassociates himself/herself from the Association.</i></p> <p><i>Members however is entitled to one (1) vote on a cumulative voting on any issues set forth by the Board for the members’ in the Association’s Annual General Membership Meeting upon notice to each member where at said meeting all the acts and resolutions of, as well as transactions entered into by, the Board are disclosed to all the members in the said notice and likewise posted in the Association’s offices.</i></p> <p><i>The Association has no subsidiary company whatsoever.”</i></p>
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<p>B.2.7</p>	<p>Were the proxy documents made easily available?</p>	<p>OECD Principle II (A) All shareholders of the same series of a class should be treated equally. (4) Impediments to cross border voting should be eliminated.</p> <p>ICGN 8.3.2 Shareholder participation in governance Shareholders should have the right to participate in key corporate governance decisions, such as the right to nominate, appoint and remove directors in an individual basis and also the right to appoint external auditor.</p> <p>ICGN 8.4.1 Shareholder ownership rights The exercise of ownership rights by all shareholders should be facilitated, including giving shareholders timely and adequate notice of all matters proposed</p>	<p>Y</p>	<p>MEMABA Amended By-Laws Article II – Meeting of Members Section 5 – Voting During the General Membership Meeting Page 4</p> <p>http://memaba.com.ph/wp-content/uploads/2016/06/2015-Memaba-ByLaws.pdf#page=4</p> <p><i>“At every meeting of the members of the Association, every member present shall be entitled to one vote in any matter either in person or by proxy who must also be a member of the Association which shall be made on a prescribed form furnished by the Association and duly signed by the member, except in the election of the members of Board of Trustees as provided under Section 3 Article III hereof where cumulative voting is allowed.”</i></p> <p><i>The said proxy form was mailed to their address which they were provided to the Association. The proxy is also posted in the Association’s website.</i></p> <p>MEMABA Notice of the 2017 Annual General Membership Meeting</p> <p>http://memaba.com.ph/category/news/page/5/</p> <p><i>“In case you cannot attend in person during the said meeting, you are enjoined to designate a proxy, via the attached proxy form, and submit the same to MEMABA Office, Employees Services Building, Ortigas Ave., Pasig City on or before <u>20 November 2017</u>. Your designated proxy will vote for and in your behalf on any of the items in the agenda and on any and all matters brought to the floor for the approval of the members.”</i></p> <p>MEMABA 2017 Proxy Form</p> <p>http://memaba.com.ph/wp-content/uploads/2018/06/2017-PROXY.pdf</p>
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B.3. Insider trading and abusive Self – dealing should be prohibited.

B.3.1.	Does the company have policies and / or rules prohibiting directors/ commissioners and employees to benefit from knowledge which is not generally available to the market?	<p>OECD Principle III (B) Insider trading and abusive dealing should be prohibited</p> <p>ICGN 3.5 Employee share dealing Companies should have clear rules regarding any trading by directors and employees in the company's own securities. Among other issues, these must seek to ensure individuals do not benefit from knowledge which is not generally available to the market.</p> <p>ICGN 8.5 Shareholder rights of action Minority shareholders should be afforded protection and remedies against abusive or oppressive conduct.</p>	<p>Y <i>(Default)</i></p>	
B.3.2.	Are the directors/commissioners required to report their dealings in company share within 3 business days?		<p>N/A</p>	

B.4. Related party transaction by directors and key executives.

B.4.1.	Does the company have a policy requiring directors to disclose their interest in transactions and any other conflicts of interest?	<p>OECD Principle III (C) Members of the board and key executives should be required to disclose to the board whether they, directly, indirectly or on behalf of third parties, have a material interest in any transaction or matter directly affecting the corporation.</p> <p>ICGN 2.11.1 Related party transactions Companies should have a process for reviewing and monitoring any related party transaction. A committee of independent directors should review significant related</p>	<p>Y <i>(Default)</i></p>	<p>MEMABA Manual on Corporate Governance 5. Policies on Trustees, Members and Related Interests Page 18</p> <p>http://memaba.com.ph/wp-content/uploads/2015/06/Manual_Corp_Gov_Memaba.pdf#page=18</p> <p><i>“The members of the Board of Trustees and its corporate officers upon assumption of their offices are required to disclose their interests in transactions, contracts, loans in the Association, and other material transactions involving conflict of interest and to observe the highest degree of transparency, selflessness, and integrity in the performance on their duties, free from any conflict with personal interest.”</i></p>
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B.4.2.	Does the company have a policy requiring a committee of independent directors / commissioners to review material / significant RPTs to determine whether they are in the best interests of the company and shareholders?	<p>party transactions to determine whether they are in the best interests of the company and if so to determine what terms are fair.</p> <p>ICGN 2.11.2 Director conflicts of interest Companies should have a process for identifying and managing conflicts of interest directors may have. If a director has an interest in a matter under consideration by the board, then the director should not participate in those discussions and the board should follow any further appropriate processes. Individual directors should be conscious of shareholder and public perceptions and seek to avoid situations where there might be an appearance of a conflict of interest.</p>	Y	<p>MEMABA Manual on Corporate Governance 5. Policies on Trustees, Members and Related Interests Page 18</p> <p>http://memaba.com.ph/wp-content/uploads/2015/06/Manual_Corp_Gov_Memaba.pdf#page=18</p> <p><i>“The members of the Board of Trustees and its corporate officers upon assumption of their offices are required to disclose their interests in transactions, contracts, loans in the Association, and other material transactions involving conflict of interest and to observe the highest degree of transparency, selflessness, and integrity in the performance on their duties, free from any conflict with personal interest.”</i></p>
B.4.3.	Does the company have a policy requiring board members (directors/ commissioners) to abstain from participating in the board discussion on a particular agenda when they are conflicted?		Y (Default)	
B.4.4.	Does the company have policies on loans to directors and commissioners either forbidding this practice or ensuring that they are being conducted at arm’s length basis and at market rates?		Y (Default)	<p>MEMABA Manual on Corporate Governance 5. Policies on Trustees, Members and Related Interests Page 18</p> <p>http://memaba.com.ph/wp-content/uploads/2015/06/Manual_Corp_Gov_Memaba.pdf#page=18</p> <p><i>“They shall not obtain loans and other benefits from the Association beyond the limit on their individual borrowing capacity laid down by the Bangko Sentral ng Pilipinas, Insurance Commission, and limits set forth by the Association to its members or those that may materially impair the financial condition of the Association.”</i></p>

B.5. Protecting minority shareholders from abusive actions

<p>B.5.1.</p>	<p>Were there are any RPTs that can be classified as financial assistance to entities other than the wholly-owned subsidiary companies?</p>	<p>OECD Principle III (A) All shareholders of the same series of a class should be treated equally. (2) Minority shareholders should be protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly, and should have effective means of redress.</p> <p>ICGN 2.11.1 Related party transactions Companies should have a process for reviewing and monitoring any related party transaction. A committee of independent directors should review significant related party transactions to determine whether they are in the best interests of the company and if so to determine what terms are fair.</p>	<p>N</p>	<p>MEMABA 2017 Annual Report Compliance on Corporate Governance Related Party Transactions Page 36</p> <p>http://memaba.com.ph/wp-content/uploads/2018/06/MEMABA-2018-Annual-ReportFINALa.pdf#page=36</p> <p><i>“Aside from the loans by some members of the Board of Trustees, there are no other related party transactions for the year 2017. The Association also does not have wholly-owned subsidiary companies. The related party transactions disclosed above are being conducted in such a way to ensure that they are fair and at arm’s length.”</i></p>
<p>B.5.2.</p>	<p>Does the company disclose that RPTs are conducted in such a way to ensure that they are fair and at arm’s length?</p>	<p>ICGN 2.11.2 Director conflicts of interest Companies should have a process for identifying and managing conflicts of interest directors may have. If a director has an interest in a matter under consideration by the board, then the director should not participate in those discussions and the board should follow any further appropriate processes. Individual directors should be conscious of shareholder and public perceptions and seek to avoid situations where there might be an appearance of a conflict of interest.</p> <p>ICGN 8.5 Shareholder rights of action Shareholders should be afforded rights of action and remedies which are readily accessible in order to redress conduct of company which treats them inequitably.</p>	<p>Y</p>	<p>MEMABA 2017 Annual Report Compliance on Corporate Governance Related Party Transactions Page 36</p> <p>http://memaba.com.ph/wp-content/uploads/2018/06/MEMABA-2018-Annual-ReportFINALa.pdf#page=36</p> <p><i>“The related party transactions disclosed above are being conducted in such a way to ensure that they are fair and at arm’s length.”</i></p>

		Minority shareholders should be afforded protection and remedies against abusive or oppressive conduct.		
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