

A. Rights of shareholders				
A.1	Right to participate effectively in and vote		Y/ N	Reference/ Source document
A.1.1(B)	Does the company allow the use of secure electronic voting in absentia at the general meetings of shareholders?	OECD Principle II (C) (4) Shareholders should be able to vote in person or in absentia, and equal effect should be given to votes whether cast in person or in absentia.	N/A	

B. Equitable treatment of shareholders				
B.1 Notice of AGM				
B.1.1(B)	Does the company release its notice of AGM (with detailed agendas and explanatory circulars), as announced to the Exchange, at least 28 days before the date of the meeting?	<p>OECD Principle II (C) (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 III (A)</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 on an individual basis and also the right to appoint external auditors.</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 for shareholder vote.</p> <p>CLSA-ACGA (2010) CG Watch 2010 - Appendix 2. (I) CG rules and practices (25) Do company release their AGM notices (with detailed agendas and explanatory circulars) at least 28 days before the date of the meeting?</p>	Y	KMBA website: Corporate Governance Disclosure Notice of AGM

The notice of AGM was posted in the website on April 26, 2018

C. Roles of Stakeholders				
C.1 The rights of stakeholders that are established by law or through mutual agreements are to be respected				
C.1.1 (B)	Does the company practice integrated report on its annual reports?	International <IR> Framework - DRAFT ,IIRC Council Item 3b Meeting of 5 December 2013 “Integrated Reporting <IR> promotes a more cohesive and efficient approach to corporate reporting and aims to improve the quality of information available to providers of financial capital to enable a more efficient and productive allocation of capital. The IIRC’s vision is a world in which integrated thinking is embedded within mainstream business practice in the public and private sectors, facilitated by <IR> as the corporate reporting norm.”	Y	KMBA Website: 2018 Audited Financial Report

KMBA prepared

D. Disclosure and transparency				
D.1 Quality of Annual Report				
D.1.1 (B)	Are the audited annual financial report /statement released within 60 days from the financial year end?	OECD Principle V (C) OECD Principle V (E) ICGN 7.2 Timely disclosure ICGN 7.3 Affirmation of financial statements The board of directors and the corporate officers of the company should affirm at least annually the accuracy of the company's financial statements or financial accounts.	N	
D.1.2 (B)	Does the company disclose details of remuneration of the CEO?		Y	2018 board resolution No. 6; 12th AGM minutes - ratification on board and management action

The HR has facilitated the proposed salary increase of the General Manager, which the board has approved the rate of increase

E. Responsibilities of the Board				
E.1 Board Competencies and Diversity				
E.1.1(B)	Does the company have at least one female independent director/commissioner?	ICGN 2.4.1 Skills and experience The board should consist of directors with the requisite range of skills, competence, knowledge, experience and approach, as well as a diversity of perspectives, to set the context for appropriate board behaviours and to enable it to discharge its duties and responsibilities effectively.	Y	2018 Annual Report: Board of Trustees P. 22-23
E.2 Nominating Committee				
E.2.1(B)	Does the Nominating Committee comprise entirely of independent directors/commissioners?	ICGN 2.4.4 Composition of board committees The members of these key board committees should be solely non-executive directors, and in the case of the audit and remuneration committees, solely independent directors. All members of the nominations committee should be independent from management and at least a majority should be independent from dominant owners.	N	Revised CGM: Nomination and Election Committee Item 2.3.4 P. 15; 2018 Board Committees
E.2.2(B)	Does the Nominating Committee undertake the process of identifying the quality of directors aligned with the company's strategic directions?		Y	2018 Minutes of AGM: Election of Board Committees P. 18-19

KMBA has 2 independent board of Trustees wherein 1 trustee is female

The nomination committee is composed of 2 independent trustee and 2 board members

The criteria and process of nominating potential candidates were discussed in the committee.

E.3 Board Appointments and Re-Election				
E.3.1(B)	Does the company use professional search firms or other external sources of candidates (such as director databases set up by director or shareholder bodies) when searching for candidates to the board of directors/commissioners?	WORLD BANK PRINCIPLE 6 (VI.I.21) Are boards known to hire professional search firms when proposing candidates to the board?	N	2018 Minutes of AGM Confirmation of Independent Board P.15-16; Criteria for potential nominee
E.4 Board Structure & Composition				
E.4.1(B)	Do independent non-executive directors/commissioners make up more than 50% of the board of directors/commissioners?		N	Amended By-Laws: Section 1 Board of Trustees; Composition & Election; Revised CGM: Governance Structure and Policies Composition and election of Board of Trustees item 2.1.1 P. 7

KMBA's nature of work lies on the organic members who are community based and are engaged in small scale business. The search committee does not have to be as complicated and from the outside of the association. The nominees

indicates only for 2 independent trustees in the board. The nature of KMBA is member-owned and member-managed, thus, the association's preference is towards more community

E.5 Board Performance	
E.5.1(B)	<p>International Financial Corporation's Global Corporate Governance Forum Publication: When Do Companies Need a Board-level Risk Management Committee?(Volume 31, pp.11, March 2013)</p> <p>Benefits of a Board Level Risk Committee:</p> <ol style="list-style-type: none"> 1. elevate risk oversight to the highest level in the company; 2. strengthen the quality of risk management; 3. inculcate a risk culture and risk-management environment to mitigate and manage risks effectively across the organization; 4. establish a platform for continuous assessment of risks in light of the changing internal and external environments; 5. improve communication among the board, management, and other stakeholders about risk management; and 6. demonstrate to internal and external stakeholders the company's commitment to risk management <p>Does the company have a separate level Risk Committee?</p>

Y

[2018 Minutes of the AGM](#) [AGM Resolution No. 11; Acceptance and Adoption on the result of election of committee members P. 19; 2018 Annual Report P. 27](#)

In the AGM, risk committee was created. The Committee studies and deliberates on material issues that may impact on the operations of KMBA. Further, the Risk Committee prepares strategies and programs to minimize, if not completely avoid, such risks from having negative effects on KMBA's operations.