

(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 corporation'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 perform in accordance to the defined control environment of the association.

#### **2.1.5.5 Disclosure of Third Party Transactions and Other Conflict of Interest**

Board members and officers shall at all times avoid any actual or potential conflict of interest with the organization. Each shall also avoid any conduct, or situation, which could reasonably be construed as creating an appearance of a conflict of interest.

If a conflict of interest situation arises, or a situation arises which may give reason to assume that a conflict may arise, the relevant member of the board or committee, as the case may be, has a duty to report the matter forthwith to the president of the board, who will review the question and determine an appropriate course of action.

#### **2.1.5.6 Vacancy in the Board**

In case an office becomes vacant due to death, resignation, retirement, disqualification, incapacity or any other cause, of the incumbent, the Board of Trustees, a majority vote, may elect/appoint a successor, who shall hold office for the unexpired term

### **2.2 Board Meetings**

#### **2.2.1 Quorum Requirements**

In all regular or special meeting of members, at least fifty percent (50%) of all members of good standing plus one (1) must be present or represented by proxy in order to constitute a quorum. A member may be represented by a proxy, through a written notice to the Secretary. The authorization shall be valid only on the date of the meeting indicated thereon. If no quorum is constituted, the meeting shall be adjourned until the requisite number of members shall be present.

#### **2.2.2 Regular and Special Meetings**

The Board of Trustees shall meet regularly once every three months at the main office of KGI-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 in writing.