

mortgage, or otherwise encumber part of the properties of KGI-MBA;

- e.) to establish pension, retirement, bonus, or other types of incentives or compensation plans for the members, employees, including officers and Trustees of KGI-MBA;
- f.) to prosecute, maintain, defend, compromise, submit arbitration or abandon any lawsuit in which KGI-MBA or its officers are either plaintiffs or defendants in connection with the affairs of KGI-MBA;
- g.) to implement these by-laws and to act on any other matter not covered by these By-laws provided such matter does not require the approval or consent of the members of KGI-MBA under the Corporation Code;
- h.) to appoint and dismiss any employee of KGI-MBA whether regular, probationary, casual, or contractual, fix or adjust their salaries and all other personnel movements;
- i.) to delegate any of its powers or function to an executive committee or to any officer of KGI-MBA to any standing or special committee or to any officer or agent and to appoint any person to be an agent of KGI-MBA;
- j.) to approve all contracts for construction and major repairs or maintenance work, and other contracts involving significant amounts;
- k.) to approve all contracts involving the sale of non-current assets.

Section 2. The Board of Trustees of KAZAMA Grameen (KGI) Mutual Benefit Association (KGI-MBA) Inc. shall consist of seven (7) members namely the following: five (5) trustees shall be elected by the active members with existing loans funded by KAZAMA Grameen, (KGI) Inc.; (2) independent trustees, to be elected by the active members with existing loans funded by KAZAMA Grameen, (KGI) Inc.

Section 3. The Board of Trustees shall be elected every three years by majority of its members during its annual meeting.

The independent trustee shall be elected by the majority of its members upon the nomination of the Nomination Committee of the 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.

The independent trustees are deemed members of KGI-MBA and shall pay the usual membership dues. They have the same obligations, rights and privileges as regular members in good standing.

Section 4. Qualifications – The trustees to be elected must be of legal age, recognized active beneficiary member of the KGI-MBA or any of its affiliates, has consistently performed very satisfactorily for at least the last three (3) years of his/her membership and has an ongoing business funded by loan from KAZAMA Grameen, (KGI) Inc. or any of its affiliates and is willing to perform the functions of a trustee without any remuneration.

