

Notices for special meetings may be made by written notice at least five (5) days before the meeting. The written notice shall contain the particular matters to be discussed. Only matters specified in the notice of special meeting can be the subject of motions or deliberations at such meetings.

Division A. Share

Section 4. Quorum – 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.

Section 5. Conduct of Meeting – Meetings of the members shall be presided over by the President, or in his absence the Vice President. The Secretary shall act as Secretary every meeting or in his absence the chairman of the meeting shall appoint a secretary of the meeting.

Section 6. Manner of Voting – 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.

Chief

Section 7. 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 general membership.

ARTICLE V - BOARD OF TRUSTEES

of the

Section 1. Unless otherwise provided by law, the corporate powers of KAZAMA Grameen (KGI) Mutual Benefit Association (KGI-MBA) Inc. shall be exercised, all business conducted and all properties of the corporation controlled and held by the Board of Trustees subject to approval of the majority of its members. Without prejudice to such powers as may be granted by law, the Board of Trustees shall have the following powers:

- a.) from time to time, to promulgate rules and regulations consistent with these by-laws, and to review, revise or amend the same when it deems necessary for the management of the association's business and affairs;
 - b.) to purchase, receive, take or otherwise acquire for and in the name of KGI-MBA, any and all properties, rights, or privileges, including securities and bonds of other corporations, for such consideration and upon such terms and conditions as the Board may deem proper or convenient;
 - c.) to invest the funds of KGI-MBA 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;
 - d.) 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,
- of the*



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.

