



KGI MUTUAL BENEFIT ASSOCIATION INC.

Lot 25, Block 12, Sta. Monica Subdivision, Subic, Zambales
Telefax: (047) 232-1871 E-mail: kgi_mba@yahoo.com

ANNUAL MEETING OF THE BOARD OF TRUSTEES

May 23, 2014

9:30 A.M. – 12:30 P.M.

Board Room, Lot 25, Block 12, Sta. Monica Subd., Subic, Zambales

TRUSTEES PRESENT:

Mr. RUBEN A. RIANZARES-	President
Mrs. INOCENCIA M. MEDEL-	Vice President
Mrs. AURORA A. FLORES-	Corporate Secretary
Mrs. LUCILA S. ESPINO-	Treasurer
Mrs. JOLLY A. DELOS SANTOS-	Member
Mrs. ANNABELLA B. LEGASPI-	Member
Dra. MAGDALENA BAUTISTA	Member

BOARD OF ADVISERS:

Mr. MARLOU R. CONCEPCION	KGI President & CEO
Mr. RONALD TACTAQUIN	KGI Finance Director
Mr. SONNY GUIANG	KGI Operations Director

IN ATTENDANCE:

Mrs. MARY JANE N. CONCEPCION	General Manager
Mr. JOAN A. CORTEZ	KGI Senior Operations Director
Ms. EDNA ELEFANE	Operations Officer
Mrs. CRISTALYN ESTEL	Bookkeeper
Mrs. NORMINA RIANZARES	Admin & Finance Officer
Ms. CARMÍ G. MULI	Recording Secretary
Ms. SARAH KAY SAMPANG	Assistant Secretary for the Execom
Mr. DWIGHT SILVERIO	OIC-Audit
Mr. ARNOLD REUTOTAR	TRD Personnel
Mrs. JENNY R. NAVARRO	Branch Manager

INVITED GUESTS:

MBA COORDINATORS

Mrs. JULIETA F. ALFONSO	Guagua Branch
Mrs. LEA P. GUESE	Apalit Branch
Mrs. EVELYN D. PALES	San Fernando, Pampanga Branch
Mrs. ELSA E. JAMINAL	Subic Branch
Mrs. JUDITA REYES	San Felipe Branch
Mrs. ROSITA L. RODRIGUEZ	Quezon City Branch
Mrs. ANGELITA VALERIO	Commonwealth Branch
Mrs. BELEN GALDAMEA	Candelaria Branch
Mrs. FE CACERES	Malate Branch
Mrs. CECILIA L. GOMEZ	Hermosa Branch
Mrs. SUSAN E. PAJALLA	Caloocan Branch
Mrs. LETICIA C. CASTILLO	Camarin Branch
Mrs. MARY ANN MILLOSA	Sta. Cruz Branch
Mrs. ELOISA PRADO	Mabini Branch
Mrs. BRENDA ZAMUDIO	Masinloc Branch
Mrs. JONALIE A. BONILLA	Infanta Branch
Mrs. ANNA LIZA C. ORTIZ	Pilar Branch
Mrs. ROSEMARIE B. PETILO	Palauig Branch

Mrs. JULITA M. LAUDENCIO	San Fernando, La Union Branch
Mrs. NENIE D. DRAGON	Iba Branch
Mrs. MA. THERESA I. IGNACIO	Tarlac Branch
Mrs. JULIETA AÑONUEVO	Lingayen Branch
Mrs. MILA B. VEGA	Baguio Branch
Mrs. CLARYLYN A. LEGASPI	Bani Branch
Mrs. ELIZABETH F. FILLALAN	San Marcelino Branch
Mrs. LILY R. PAYABYAB	Olongapo 2 Branch
Mrs. OFELIA C. BESARRA	Castillejos Branch
Mrs. ELISA MARMITO	Olongapo 1 Branch

I. INVOCATION

General Manager Mary Jane Concepcion led the invocation.

II. PROOF OF NOTICE OF THE MEETING

The President called the Secretary to call and count if all expected attendees are physically present in this meeting.

III. PROOF OF QUORUM

7 out of 7 expected voters are present thus, the presence of quorum was declared.

IV. CALL TO ORDER:

President Ruben A. Rianzares, after determination of the presence of a quorum called the meeting to order at 9:30 A.M.

V. READING OF THE MINUTES OF THE PREVIOUS BOARD MEETING

The Secretary read the minutes of the previous annual meeting. After being no correction or clarification being raised, the President declared the minutes of May 23, 2013 stand approved as read.

VI. REPORT OF THE PRESIDENT

By way of report President Ruben A. Rianzares presented his one-page President's Report as his report. The complete report is attached as ANNEX "A" and made as an integral part of this minutes.

As an introduction the President offered a thanksgiving praise to the Lord and dedicated the proceeding of the Annual Meeting to the honor and glory of our Lord God and for the success of the institution.

Mr. Rianzares then asked the cooperation of everyone especially the MBA Coordinators who will be participate in the voting process to invoke their best efforts to ensure that an orderly and meaningful annual election will be achieved.

The President took the opportunity to express his appreciation to the unwavering support of KGI headed by Mr. Marlou Concepcion and the rest of the KGI management. Mr. Rianzares also recognized the unified effort of the board the management and the employees of KGI for their hard work and commitment to ensure the successful operations of KGI-MBA.

At this juncture President Rianzares highlighted the following significant achievements of KGI-MBA for the past three years of operation:

- MBA SEC Registration- the institution secured its SEC Registration (SEC Reg. No. CN201117039) on September 23, 2011.

119 ▪ Governance and AMLA Workshop for MI-MBA's – KGI-MBA is compliant with this
120 government requirement and in fact all members of the board and employees had completed the
121 required training and orientation course.

122 ▪ Issuance of License to Operate as an MBA- another remarkable achievements is the
123 secured license from the Insurance Commission on March 14, 2012 with License No. 2012-2-0
124 and validity period February 14, 2012-June 2013.

125 ▪ Approval of Implementing Rules and Regulations (IRR) - the approval of KGI-MBA's
126 Implementing Rules and Regulations on November 2, 2012 is also considered as one of the major
127 achievements of the institution.

128 ▪ Partnership with RIMANSI for MIS Establishment- for purposes of efficient, timely and
129 accurate recording of KGI-MBA transactions, the institution tapped the Microseer of RIMANSI
130 to accelerate access to advanced technologies. The Memorandum of Agreement between KGI-
131 MBA and RIMANSI for MIS Establishment was signed on December 18, 2012. To this date the
132 database development of KGI-MBA is still ongoing.

133 ▪ Partnership with Sicat BAHAYnihan- an organized "damayan" system among member-
134 organizations of RIMANSI that provides post-disaster relief assistance to qualified members. The
135 assistance of P 2,000.00 is freely given without any fees or charges to the qualified members for
136 residential housing improvement, repair or reconstruction whose residential houses are totally
137 damaged due to catastrophe.

138 ▪ Partnership with RIMANSI for the development of Credit Life Insurance Program (CLIP)-
139 for purposes of loan protection and securing the loans of KGI members, the institution has entered
140 into agreement with RIMANSI for Credit Life Insurance Program development.

141 ▪ Compliant to Governing Agencies- since 2011 the institution is in legal perspective and
142 compliant with the government regulating agencies. KGI-MBA has maintained its good standing
143 and complied with all the reportorial requirements of the government by means of regular filing
144 of Audited Financial Statements (FS) to SEC and BIR, annual submission of General Information
145 Sheet (GIS) to SEC and up to date submission of Audited FS, Annual Statements and Certificate
146 of Reserves for Guarantee Fund.

147 The President strongly assured that thru KGI-MBA the member's welfare are protected
148 because they are insured and entitled with insurance benefits. Mr. Rianzares also gave comfort that
149 the premiums paid by the members are not at risk because their funds are deposited in the banks
150 through reserves under the monitoring of Insurance Commission.

151 That at this date KGI-MBA has 16 M fund in reserves allocated for claims. Mr. Rianzares
152 confidently stated that the institution has a safety net to meet all financial obligations on time
153 without having to deplete the cash reserves.

154 ▪ Renewal of License for 2013-2014- KGI-MBA successfully renewed its license on
155 November 28, 2014 which was awarded at the Office of Insurance Commissioner Emmanuel F.
156 Dooc and has validity period of July 1, 2013 to June 30, 2014.

157
158 At this point the President stated that the foregoing report is merely words of compliance
159 only. That the true meaning of a successful MBA is thru the impact that the institution has made
160 to the lives of the members; by meeting their needs and ensuring their welfare. That real
161 accomplishment is being able to successfully live up to the institution's goal in accordance with
162 its mission and vision.

163 Mr. Rianzares cited that the recent workshops and conference held with the Center
164 Managers and Branch Managers showed that some members disliked the KGI-MBA. That it is
165 painful to note that there are cases where MBA is the main reason for members' dropouts due to
166 failure of the institution to meet the members' expectation on insurance benefits (HBRB).

167 The President explained to the body that the advent of government regulations abolished
168 the previous policy of KGI on Member's Mutual Fund (MMF) which tremendously affected the
169 insurance benefits previously enjoyed by the members. That the said circumstances is not the
170 preference of the management.

171 President Rianzares pointed out that KGI-MBA was not established for members to reject
172 and oppose its policy. That KGI had set up a specialized institution to deliver wide range of
173 services to meet the needs of the clients.

174 The President emphasized that the members should understand that during the startup
175 phase of KGI-MBA, the institution generally newly created, cannot afford to provide an enormous

insurance benefits to the members right away. Mr. Rianzares further stated that KGI-MBA, as a newly established institution has no capacity to spend superfluous funds in expenditure otherwise the institution may end to losses that may lead to bankruptcy.

The President conveyed that the management has no control in the policy of KGI-MBA because the institution is subject to regulations imposed by the regulatory bodies. That KGI-MBA likewise, has no intention to deprive the members from the insurance benefits where they are previously accustomed and benefited.

That the challenge ahead for the members is to further improve the performance of KGI-MBA. That if KGI-MBA continue to exhibit strong balance sheet and positive financial performance, at the end of the year the members can send a formal request letter to the Insurance Commission to appeal the increase of HBRB benefits and voice out the other clamor of members.

That KGI-MBA may further justify to Insurance Commission that the members are started quitting because of the lowered benefits on HBRB.

President Rianzares conveyed a message to the next administration to continue upholding the rights of the members and to strive an effort to bring back the previous amount of HBRB benefits.

To end his report, the President also stated that another concern that KGI-MBA should underscore is the issue on exit age. That there are senior members (above 20 years in KGI) felt that they are being neglected due to exit age. That there must be a unified effort to address the matter and the same can be voice out to the Insurance Commission.

Upon motion made by Trustee Jolly delos Santos duly seconded and approved by the members assembled, the Board unanimously approved:

Resolution No. 5-2014

Resolution adopting the Report of the President

VII. REPORT OF THE TREASURER

Trustee Lucila Espino reported on the Financial Highlights for the year 2013.

The assets reached up to 28.9 M in 2013 as compared to 6.6 M in 2012. The liabilities rose up from 1.8M in 2012 to 16.7 M in 2013. The increased in the liabilities was brought by the equity value of the members amounting to 15.6 M. The fund balance augmented from 4.8M in 2012 to 12.2 M in 2013.

With regards to statement of receipts and expenses, P 154,000.00 is the total revenue gained in the year 2012 while 1.8 M is the total expenses. The expenses comprise the costs on trainings and other expenses incurred during the startup of KGI-MBA operations.

That in the year 2013, the period when KGI-MBA started to collect premiums from the members, the total revenue earned is 34.3 M. The said revenue includes the interest earned on short term investment (time deposit).

That 22.1 M is the total claims on death, TPD, HBRB and equity while 4.7 M is the total operating expense in 2013. The said expense consist the expenses on coordinator's allowance and transportation.

That for the first year of operation in 2013, KGI-MBA has profited 7.4 M. The fund balance increased from 4.7 M in 2012 to 12.2 M in 2013.

That out of 12.2 M fund balance, 6.7M is allocated to guarantee fund required by the Insurance Commission and the remaining 5.5 M will retain in the fund balance as operating capital.

Upon motion made by Trustee Jolly delos Santos duly seconded and approved by the members assembled, the Board unanimously approved:

Resolution No. 6-2014

Resolution adopting the Report of the Treasurer

232 VIII. RATIFICATION OF THE AUDITED FINANCIAL STATEMENT FOR THE YEAR
233 ENDED DECEMBER 31, 2013.
234

235 General Manager Mary Jane Concepcion presented the Audited Financial Statement for
236 the year ended December 31, 2013. The complete report is attached as ANNEX "B" and made as
237 integral part of this minutes.

238 The General Manager asked if there were any questions on the Audited Financial Statement
239 of the company, and there being none,
240

241 *Upon motion made by Trustee Espino duly seconded and approved by the members assembled,*
242 *the Board unanimously approved:*

243 ***Resolution No. 7-2014***
244 ***Resolution ratifying the Audited Financial***
245 ***Statement for the year ended***
246 ***December 31, 2013***
247

248 IX. RATIFICATION OF ACTS AND RESOLUTIONS OF THE BOT AND THE
249 MANAGEMENT FOR THE YEAR 2013
250

251 President Rianzares commented that all the previous acts of the board and the management
252 are confirmed, approved, adopted and ratified by the board as long as it is in good faith and not
253 contrary to the law and recorded on the minutes of the BOT meeting.

254 After further deliberation, Trustee Dra. Bautista moved for the ratification of the previous
255 acts of the board and the management. There being no other objections and the board unanimously
256 ratified the previous acts of the board and the management.
257

258 *Upon motion made by Trustee Dra. Magdalena Bautista duly seconded and approved by the*
259 *members assembled, the Board unanimously approved:*

260 ***Resolution No. 8-2014***
261 ***Resolution approving the ratification of***
262 ***the previous acts of the board and***
263 ***the management for the***
264 ***year 2013***
265

266 X. APPOINTMENT OF THE EXTERNAL AUDITOR
267

268 At this moment President Rianzares asked the board if the KL SY and Associates will still
269 be re-appointed as the External Auditor of KGI-MBA for 2014.

270 The board had a discussion that the decision for the re-appointment of External Auditor is
271 up to the management. That if the current External Auditor provides quality service, KGI-MBA
272 may retain the audit service engagement of KL SY and Associates.

273 Upon deliberation, Trustee Legaspi moved approving the re-appointment of KL SY and
274 Associates as External Auditor of KGI-MBA.
275

276 *Upon motion made by Trustee Legaspi duly seconded and approved by the members assembled,*
277 *the Board unanimously approved:*

278 ***Resolution No. 9-2014***
279 ***A resolution approving the re-appointment***
280 ***of the External Auditor***
281

282 XI. ELECTION OF THE INCOMING BOARD OF TRUSTEES
283

284 At this juncture the floor was given to the Election Committee represented by Senior
285 Operations Director Joan Cortez, OIC-Audit Dwight Silverio and Operations Officer Edna
286 Elefane.

Mr. Cortez expressed gratitude for the completion of the proxy votes. The Senior Operations Director subsequently discussed in detail the voting system documentation and the protocol for voting system.

Emphasis was given that in conforming to the rules and regulations for voting system, the committee did not accept the late submitted proxy voting form.

That the election process will be started by presenting the number of proxy votes held by MBA Coordinators (MBAC) to determine the number of votes constitute by the MBAC. Afterwards the candidates or the list of nominees for the election will be presented.

Following the presentation of nominees is the actual election proper then the proceeding will be proceeded in accordance with the program on Annual General Meeting (AGM) which include the casting and tallying of votes until the committee determined the nominees with the most votes and proclaimed as winners.

At this point Mr. Dwight Silverio presented the following total proxy votes for different areas:

AREA 1	Proxy Votes	AREA 2	Proxy Votes
QUEZON CITY	340	PILAR	35
MALATE	371	HERMOSA	407
COMMONWEALTH	147	OLONGAPO 1	334
CAMARIN	323	OLONGAPO 2	326
KALOOKAN	206	SUBIC	214
SUB-TOTAL	1,387	SUB-TOTAL	1,316

AREA 3	Proxy Votes	AREA 4	Proxy Votes
CASTILLEJOS	93	GUAGUA	200
SAN MARCELINO	285	SAN FERNANDO	205
SAN FELIPE	263	APALIT	144
IBA-BOTOLAN	291	MONUMENTO	61
MASINLOC	301		
PALAUIG	160		
SUB-TOTAL	1,393	SUB-TOTAL	610

AREA 5	Proxy Votes	AREA 6	Proxy Votes
CANDELARIA	135	TARLAC	150
STA. CRUZ	722	LA UNION	145
INFANTA	150	BAGUIO	152
MABINI	85		
BANI	173		
LINGAYEN	148		
SUB-TOTAL	1,413	SUB-TOTAL	447

TOTAL PROXY VOTES

AREA 1	1,387
AREA 2	1,316
AREA 3	1,393
AREA 4	610
AREA 5	1,413
AREA 6	447
TOTAL	6,566

In addition Mr. Silverio justify the decision of the committee in refusing to accept the late submitted proxy voting form. That the deadline given for the submission is May 22, 2014 and it is clearly stipulated in the guidelines that the filled-out proxy voting forms shall be forwarded to KGI-MBA office before the actual date of Annual General Meeting.

Subsequent to the presentation of proxy votes, OIC-Audit Silverio presented the nominees for the election of the Board of Trustees of KGI-MBA, for Area 4 & 6 Mrs. Julieta Alfonso and Mrs. Ma. Theresa Ignacio of Tarlac Branch, Mrs. Evelyn Pales of San Fernando Branch, and for Area 5 Mrs. Julieta Añonuevo of Lingayen Branch and Mrs. Elisa Prado of Mabini Branch.

At this juncture Operations Officer Edna Elefane was called to present the sample ballot to be use in the election. Ms. Elefane explained that all MBAC are entitled to vote one nominee for each areas presented (i.e. one candidate for Area 4 & 6 and one candidate for Area 5 respectively).

Each voters shall select only one candidate (out of the three nominees) presented for Area 4 & 6. The same goes with Area 5, each voters shall select only one candidate (out of the two nominees) presented in the area.

That in order to make the vote valid, the MBAC should write her name on the ballot form together with their signature and branch represented.

Mr. Cortez reiterated the importance of indicating the name of the MBAC voters. That the total number of proxy voting forms held by the MBAC shall constitute her total number of votes.

Ms. Elefane conformed to the statement of Mr. Cortez and added that the vote of the MBAC plus the proxy votes she represented will be combined during the casting of votes.

At this juncture the floor was given to the five nominees mentioned above to introduce themselves and present their plans and platform in KGI-MBA.

Following the introduction of nominees, General Manager Concepcion stated that it was now in order to proceed with the election of the incoming Board of Trustees.

XII. MESSAGES S FROM THE BOARD OF ADVISERS

President/CEO Marlou Concepcion acknowledged the service, loyalty and dedication of the MBAC and the outgoing board present in the meeting. Mr. Concepcion also welcome in advance the incoming board.

The President/CEO clarified to the body the interdependent relationship between KGI as NGO and KGI-MBA as an insurance. That the two institutions are separate legal entities and have their own set of Board of Trustees.

Mr. Concepcion stressed that KGI is the mother institution while KGI-MBA is the subsidiary of the parent institution (KGI).

That KGI-MBA is interdependent from KGI microfinance operation. That in order to become a member and enjoy the insurance benefits of KGI-MBA an individual should join and be a member of KGI.

That KGI and KGI-MBA are inseparable with each other because in principle they are considered the same and under one umbrella because KGI-MBA came from the parent institution.

That both KGI and KGI-MBA entirely dependent on each other, if one of them is remove the other institution cannot perform their function properly and will become weak and may result to closure of operation. That both institutions have a special type of dynamics that can only be achieve by working together.

By way of illustration, Mr. Concepcion further emphasized the vital relationship exist between KGI and KGI-MBA. The President/CEO compared the relationship of KGI and KGI-MBA to a mother and son and state and citizen relationship.

The President/CEO emphasized that a being a member of both KGI and KGI-MBA, the members should reciprocate their obligations both to the two institutions. That the obligation of member to follow the policy of KGI does not exhaust his/her duties to KGI-MBA.

President/CEO Concepcion enjoined the members to be a good members, to value KGI and KGI-MBA and to have an impartial treatment to both institutions.

At this point the floor was given to Operations Director Sonny Guiang. Mr. Guiang expressed that the establishment of KGI-MBA is a breakthrough in KGI.

Mr. Guiang noted that the governing body of KGI-MBA is composed mostly of women which indicate that the institution is specially designed for the members and the management guides only the members in administering the institution.

The Operations Director encouraged the members to show concern or solicitude in promoting the microinsurance products. Mr. Guiang also explained the importance of regulatory bodies in overseeing the activities of KGI-MBA. That regulatory bodies play an important role in encouraging good corporate governance by requiring companies to fulfill certain standards to ensure companies' sustainability and stability.

Operations Director Guiang mentioned the vital role of MBAC in the campaign and promotional activities towards the growth and prosperity of KGI-MBA. Mr. Guiang also asked the outgoing board to be in full support to KGI-MBA even they are stepping down as board member.

At this point Finance Director Tactaquin is delighted that gradually the members already exercised their rights in the institution that is partly established by the said members. Mr. Tactaquin mentioned that the involvement of the members in setting up KGI-MBA is a great opportunity.

The Finance Director also recognized the effort of members in establishing the KGI-MBA from starting filing and registering the corporate documents needed until the institution is formally registered and recognized by the regulatory bodies.

Mr. Tactaquin also cited the impact of changes in the institution during the transition period from Member’s Mutual Fund to Mutual Benefit Association particularly on the amount of insurance benefits.

Finance Director Tactaquin recalled that from informal setting the government mandated that all informal in-house micro insurance should register to a formal institution which paved the way for the birth of KGI-MBA. That thru this undertaking the rights and benefits of the members are well define in the organization.

XIII. RECOGNITION OF THE OUTGOING BOARD OF TRUSTEES

The recognition was preceded by presentation of videos of activities and meetings of the board.

At this point the board recognized and expressed a deep sense of gratitude to the outgoing members of the board: President Ruben Rianzares, Trustee Inocencia Medel and Trustee Aurora Flores for their invaluable, meritorious and exemplary performance towards the smooth flow of KGI-MBA operations.

The aforementioned outgoing board were given a certificate of appreciation which were awarded by the Board of Advisers headed by Mr. Marlou Concepcion, Mr. Joan Cortez and Mr. Ronald Tactaquin.

➤ PRESENTATION OF THE NEWLY ELECTED BOARD OF TRUSTEES

The Election Committee presented the following result of election.

FOR AREA 4 and AREA 6		FOR AREA 5	
Name	Number of Votes	Name	Number of Votes
Mrs. Ma. Theresa Ignacio	4,095	Mrs. Julieta Añonuevo	4511
Mrs. Julieta Alfonso	1,500	Mrs. Elisa Prado	2,022
Mrs. Evelyn Pales	938	Total	6,533
Total	6,533		

TOTAL NUMBER OF VOTES	
PROXY VOTES	6,505
MBAC	28
TOTAL	6,533

Senior Operations Director Cortez announced that since Mrs. Ma. Theresa Ignacio and Mrs. Julieta Añonuevo received the most votes they will comprise in the Board of Trustees. Mrs. Ignacio obtained a majority votes of 4,095 while Mrs. Añonuevo obtained a majority votes of 4,511.

At this juncture the Mr. Cortez also introduced Branch Manager Jenny Navarro as staff member representative elected during the assembly (Kapatiran) of KGI held on January 2014.

Mrs. Navarro together with the two newly elected Board of Trustees expressed their gratitude for being elected as member of the BOT and gave their pledge and commitment to the board and to the management.

At this point the Senior Operations Director facilitated the oath taking ceremony for the Code of Office of the three new members of the Board of Trustees.

XIV. ADJOURNMENT

There being no other matter to discuss the meeting was adjourned at 12:30 P.M., May 23, 2014.


434 *Prepared by:*

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436 
437 **Ms. CARMÍ G. MULI**
438 Recording Secretary

441
442 *Certified by:*

443
444
445 **Mrs. AURORA A. FLORES**
446 Corporate Secretary

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450 *Attested by:*


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452
453 **Mr. RUBEN A. RIANZARES**
454 President

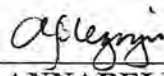
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457 *Read, Signed and Approved by:*

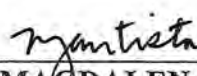
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461 **Mrs. INOCENCIA M. MEDEL**
462 Vice President, Board of Trustees

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465 **Mrs. AURORA FLORES**
466 Corporate Secretary

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469 **Mrs. LUCILA ESPINO**
470 Treasurer, Board of Trustees

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475 **MRS. JOLLY A. DELOS SANTOS**
Member, Board of Trustees


Mrs. ANNABELLA B. LEGASPI
Member, Board of Trustees


Dra. MAGDALENA BAUTISTA
Member, Board of Trustees



KGI MUTUAL BENEFIT ASSOCIATION INC.

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Telefax: (047) 232-1871 E-mail: kgi_mba@yahoo.com

EXCERPT FROM THE MINUTES OF THE ANNUAL MEETING OF THE BOARD OF TRUSTEES OF KAZAMA GRAMEEN INC.-MUTUAL BENEFIT ASSOCIATION HELD AT BOARD ROOM, STA. MONICA, SUBDIVISION ON MAY 23, 2014

RESOLUTION NO. 5-2014 Series of 2014

A RESOLUTION ADOPTING THE REPORT OF THE PRESIDENT

WHEREAS, the President's report was submitted and presented to the Board of Trustees by way of a speech during the annual meeting.

NOW THEREFORE, ON MOTION OF TRUSTEE JOLLY DELOS SANTOS DULY SECONDED AND APPROVED BY THE MEMBERS ASSEMBLED,

RESOLVED AS IT IS HEREBY RESOLVED, in accordance with the rules and for purposes of corporate governance and efficiency, the board hereby adopted and approve the report of the President as presented.

UNANIMOUSLY APPROVED, May 23, 2014.

Certified by:

Mrs. Aurora A. Flores
Corporate Secretary

Attested and approved by:

Mrs. Jolly Delos Santos
Member

Mrs. Annabella Legaspi
Member

Dra. Magdalena Bautista
Member

Mrs. Lucila Espino
Treasurer

Mrs. Inocencia M. Medel
Vice President

Mr. Ruben A. Rianzares
President



KGI MUTUAL BENEFIT ASSOCIATION INC.

Lot 25, Block 12, Sta. Monica Subdivision, Subic, Zambales
Telcfax: (047) 232-1871 E-mail: kgi_mba@yahoo.com

**EXCERPT FROM THE MINUTES OF THE ANNUAL MEETING OF THE BOARD
OF TRUSTEES OF KAZAMA GRAMEEN INC.-MUTUAL BENEFIT
ASSOCIATION HELD AT BOARD ROOM, STA.
MONICA, SUBDIVISION ON MAY 23, 2014**

RESOLUTION NO. 6-2014
Series of 2014

A RESOLUTION ADOPTING THE REPORT OF THE TREASURER

WHEREAS, the Financial Highlights for the year 2013 was submitted and presented to the Board of Trustees by the Treasurer as her report during the annual meeting;

NOW THEREFORE, ON MOTION OF TRUSTEE JOLLY DELOS SANTOS DULY SECONDED AND APPROVED BY THE MEMBERS ASSEMBLED,

RESOLVED AS IT IS HEREBY RESOLVED, in accordance with the rules and for purposes of corporate governance and efficiency, the board hereby adopted and approved the report of the Treasurer as presented.

UNANIMOUSLY APPROVED, May 23, 2014.

Certified by:

Mrs. Aurora A. Flores
Corporate Secretary

Attested and approved by:

Jolly Delos Santos
Mrs. Jolly delos Santos
Member

Annabella Legaspi
Mrs. Annabella Legaspi
Member

Magdalen Bautista
Dra. Magdalena Bautista
Member

Lucila Espino
Mrs. Lucila. Espino
Treasurer

Inocencia M. Medel
Mrs. Inocencia M. Medel
Vice President

Ruben A. Rianzares
Mr. Ruben A. Rianzares
President



KGI MUTUAL BENEFIT ASSOCIATION INC.

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E-mail: kgi_mba@yahoo.com

**EXCERPT FROM THE MINUTES OF THE ANNUAL MEETING OF THE BOARD
OF TRUSTEES OF KAZAMA GRAMEEN INC.-MUTUAL BENEFIT
ASSOCIATION HELD AT BOARD ROOM, STA.
MONICA, SUBDIVISION ON MAY 23, 2014**

RESOLUTION NO. 7-2014

Series of 2014

**A RESOLUTION RATIFYING THE AUDITED FINANCIAL
STATEMENT FOR THE YEAR ENDED
DECEMBER 31, 2013**

WHEREAS, the Audited Financial Statement for the year ended December 31, 2013 was submitted and presented to the Board of Trustees by the management for consideration and approval;

NOW THEREFORE, ON MOTION OF TRUSTEE JOLLY DELOS SANTOS DULY SECONDED AND APPROVED BY THE MEMBERS ASSEMBLED,

RESOLVED AS IT IS HEREBY RESOLVED, in accordance with the rules and for purposes of corporate governance and efficiency, the board hereby approved the Audited Financial Statement for the year ended December 31, 2013 as presented.

UNANIMOUSLY APPROVED, May 23, 2014.

Certified by:

Mrs. Aurora A. Flores
Corporate Secretary

Attested and approved by:

Jolly Delos Santos
Mrs. Jolly Delos Santos
Member

Annabella Legaspi
Mrs. Annabella Legaspi
Member

Magdalena Bautista
Dra. Magdalena Bautista
Member

Lucila Espino
Mrs. Lucila Espino
Treasurer

Inocencia M. Medel
Mrs. Inocencia M. Medel
Vice President

Ruben A. Rianzares
Mr. Ruben A. Rianzares
President



KGI MUTUAL BENEFIT ASSOCIATION INC.

Lot 25, Block 12, Sta. Monica Subdivision, Subic, Zambales

Telefax: (047) 232-1871

E-mail: kgi_mba@yahoo.com

**EXCERPT FROM THE MINUTES OF THE ANNUAL MEETING OF THE BOARD
OF TRUSTEES OF KAZAMA GRAMEEN INC.-MUTUAL BENEFIT
ASSOCIATION HELD AT BOARD ROOM, STA.
MONICA, SUBDIVISION ON MAY 23, 2014**

RESOLUTION NO. 8-2014

Series of 2014

**A RESOLUTION APPROVING THE RATIFICATION OF THE PREVIOUS
ACTS OF THE BOARD AND THE MANAGEMENT
FOR THE YEAR 2013**

WHEREAS, all the resolutions and acts of the Board of Trustees and the management as the acts and contracts entered into by the management during the calendar year ended December 31, 2013 up to the date of the meeting are done in good faith and not unlawful;

NOW THEREFORE, ON MOTION OF TRUSTEE DRA. MAGDALENA BAUTISTA DULY SECONDED AND APPROVED BY THE MEMBERS ASSEMBLED,

RESOLVED AS IT IS HEREBY RESOLVED, in accordance with the rules and efficient corporate governance, the board hereby approved, adopted and ratified the previous acts of the board and the management in so far as they are not are not unlawful and done in good faith. Resolved furthermore that those acts are on the record, approved and passed by the board.

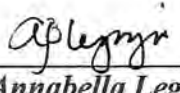
UNANIMOUSLY APPROVED, May 23, 2014.

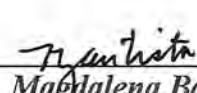
Certified by:


Mrs. Aurora A. Flores
Corporate Secretary

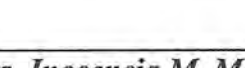
Attested and approved by:


Mrs. Jolly delos Santos
Member


Mrs. Annabella Legaspi
Member


Dra. Magdalena Bautista
Member


Mrs. Lucila Espino
Treasurer


Mrs. Inocencia M. Medel
Vice President


Mr. Ruben A. Rianzares
President



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**EXCERPT FROM THE MINUTES OF THE ANNUAL MEETING OF THE BOARD
OF TRUSTEES OF KAZAMA GRAMEEN INC.-MUTUAL BENEFIT
ASSOCIATION HELD AT BOARD ROOM, STA.
MONICA, SUBDIVISION ON MAY 23, 2014**

RESOLUTION NO. 9-2014

Series of 2014

**A RESOLUTION APPROVING THE RE-APPOINTMENT
OF THE EXTERNAL AUDITOR**

WHEREAS, in compliance to the submission of Audited Financial Statements with the Bureau of Internal Revenue, Securities and Exchange Commission and Insurance Commission, the board decided to continue the audit service engagement of KL SY and Associates;

NOW THEREFORE, ON MOTION OF TRUSTEE ANNABELLA LEGASPI DULY SECONDED AND APPROVED BY THE MEMBERS ASSEMBLED,

RESOLVED AS IT IS HEREBY RESOLVED, that upon unanimous accord by the members of the Board of Trustees and upon recommendation of the management in accordance with the rules and efficient corporate governance, the board hereby approved the re-appointment of KL SY and Associates as the External Auditor of KGI.

UNANIMOUSLY APPROVED, May 23, 2014.

Certified by:

Mrs. Aurora A. Flores
Corporate Secretary

Attested and approved by:

[Signature]
Mrs. Jolly delos Santos
Member

[Signature]
Mrs. Annabella Legaspi
Member

[Signature]
Dra. Magdalena Bautista
Member

[Signature]
Mrs. Lucila Espino
Treasurer

[Signature]
Mrs. Inocencia M. Medel
Vice President

[Signature]
Mr. Ruben A. Rianzares
President