



EXCERPT FROM THE MINUTES OF THE BOARD OF TRUSTEES MEETING

REGULAR MEETING OF THE BOARD OF TRUSTEES
December 18, 2025
9:13 A. M. – 11:27 A.M.
Conducted Virtually via Remote Communication

TRUSTEES PRESENT:

Mrs. LIBERTY A. ARELLANO -	President
Mrs. ROSEMARIE B. PETILO -	Vice President
Mrs. LETICIA C. CASTILLO -	Board Secretary
Mrs. MARLYN T. VILLANUEVA -	Treasurer
Dr. RICARDO S. REYES JR.-	Member
Mrs. PIEDAD D. MATIAS-	Member
Mrs. NANCY T. FLORES -	Member

BOARD OF ADVISERS:

Mr. MARLOU R. CONCEPCION	KGMI President
Mr. JOAN A. CORTEZ	KGMI Operations Director
Mr. RONALD V. TACTAQUIN	KGMI Finance & Admin Director
Mr. SONNY GUIANG	KGMI Portfolio Recovery Director

IN ATTENDANCE:

Mrs. MARY JANE N. CONCEPCION	General Manager
Mrs. EDNA E. MEDIARIO	Operations Officer
Mrs. CRISTALYN R. ESTEL	Bookkeeper
Ms. CARMI G. MULI	Corporate Secretary

I. INVOCATION

Trustee Leticia C. Castillo led the invocation.

II. NOTICE AND QUORUM:

The President certifies that notice of the meeting had been duly sent and that a quorum is present to conduct business.

III. CALL TO ORDER:

President Liberty Arellano, after determination of the presence of a quorum called the meeting to order at 9:13 A.M.

IV. READING OF THE MINUTES OF THE PREVIOUS BOARD MEETING

The Secretary read the minutes of the previous meeting. After being no correction or clarification being raised, the President declared the minutes of October 24, 2025 Regular Board Meeting stand approved as read.

V. MATTERS ARISING FROM THE PREVIOUS MINUTES

None.

VI. UNFINISHED BUSINESS

There was no old business brought to the board.

VII. MANAGEMENT REPORT

➤ FINANCIAL REPORT

Bookkeeper Cristalyn Estel rendered her report as follows:

▪ Proposed Business and Budget Plan for the Year 2026

In continuation of her report, Mrs. Estel presented the proposed Business and Budget Plan for the year 2026. The complete report is attached as ANNEX “B” and made as integral part of this minutes.

That the actual performance of the association on October, 2025 was used as starting point in the data reflected for the proposed Business & Budget Plan for the year 2026.

Bookkeeper presented in detail to the board the projected target on membership, collection, benefit/underwriting expense, expenses and net income.

That for membership, the projected total membership is 7,391 and 2,000 net members. The collection is projected to reach up to 18.7M and the estimated interest income on investment is 1.6M.

That the total benefit expense is expected to inch up to 9.2M, broken down as follows: 1.8M BLIP, 1.4M Hapi Plan, 360K CLIP, 4.7M Equity Value, -66K Equity Value Allocation, 180K Optional Benefit Allocation and 849K Collection Fee.

That the total expense is projected to increase up to 8.4M due to anticipated expenses next year as follows: mandatory wage increases and incentives, allocation for employee retirement fund, share of KGI-MBA in the Kapatiran, 15th anniversary celebration, allocation for members’ benefits, allocation for BOT training/seminar, social community service and hiring of additional staff.

That based on the foregoing projection, the association is optimistic to hit the ₱ 949,160.20 net income at the end of 2026.

At this point, Bookkeeper Estel, in connection with the proposed 10M investment lease for KGMI’s office renovation, reported that the association has sought the auditor’s opinion on the matter and is currently awaiting guidance on the appropriate accounting treatment should the plan proceed.

Upon the query raised by Trustee Matias, the Bookkeeper explained the auditor’s assumption concerning the proposed investment lease. That based on the initial computation, the finance lease for the office development is considered a long-term contract, with a projected term of forty (40) years or more.

Trustee Matias consequently inquired on the method of calculating the depreciation of equipment. Mrs. Estel responded that the association applies the straight-line method, with an estimated useful life of three (3) years for the asset.

Trustee Reyes Jr. asked the treatment of fully depreciated office equipment. The Bookkeeper explained that normally when the asset reached its full depreciation it is written off from the balance sheet.

However, as per advised of the auditor, if the asset is still used in the company’s operations, the asset’s account and accumulated depreciation remain on the balance sheet.

Bookkeeper Estel further reported that, as part of the association’s employee benefits program, the employees are given the opportunity to purchase fully depreciated laptop/s at a lower or reasonable price. That the sale of fully depreciated equipment to employees is recorded as Other Income of KGI-MBA.

At this moment, President Arellano invited questions and comments from the floor and there being none, thereafter, Trustee Castillo moved the acceptance and approval of the Proposed Business Plan and Budget Plan for the year 2026 as presented.

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

Resolution No. 44-2025
A Resolution Approving the Business and Budget Plan for the Year 2026

VIII. ADJOURNMENT

There being no other matter to discuss the meeting was adjourned at 11:27 A.M., December 18, 2025.

Prepared by:



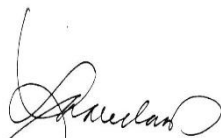
Ms. CARMIG. MULI
Corporate Secretary

Certified by:

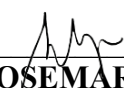


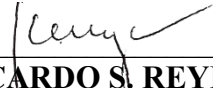
Mrs. LETICIA CASTILLO
Board Secretary

Attested by:


Mrs. LIBERTY ARELLANO
President

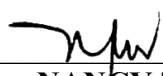
Read, Signed and Approved by:


Mrs. ROSEMARIE PETILO
Vice President, Board of Trustees


Dr. RICARDO S. REYES JR.
Member, Board of Trustees


Mrs. MARLYN T. VILLANUEVA
Treasurer, Board of Trustees


Mrs. PIEDAD D. MATIAS
Member, Board of Trustees


Mrs. NANCY T. FLORES
Member, Board of Trustees