

MINUTES OF THE 2022 ANNUAL GENERAL MEETING

Conference Room, 3/F ARDCI Corporate Bldg., San Roque, Virac, Catanduanes 4800

19 April 2022

Present:

Rogelio S. Bitome	-	Chairman, Incumbent
Cristy S. Coronejo	-	Vice Chairman, Incumbent
Rapunzel T. Tapel	-	Member, Incumbent
Ray B. Bilon	-	Member, Incumbent
Alma B. Aguinaldo	-	Member, Incumbent
Emerita S. Zambrano	-	Member, Incumbent
Gina T. De Sevilla	-	Member, Incumbent/ Nominee, Catanduanes Area
Eva T. Pantaleon	-	Member, Incumbent/ Nominee, Catanduanes Area
Presentacion C. Sergio	-	Nominee, Albay Area
Sofia M. Butel	-	Nominee, Albay Area

Agenda:

- I. Proof of service of the required notice of the meeting
- II. Proof of the presence of the quorum
- III. Reading and approval of the minutes of the previous Annual General Meeting
- IV. Unfinished business
- V. Report of the Chairman, the Treasurer and the Secretary
- VI. Election of the Three (3) Board of Trustees
- VII. Approval of the Audited Financial Statements calendar year ending 2021
- VIII. Ratification of the creation of the new subsidiaries
- IX. Ratification of the amended Constitution and By-Laws
- X. Ratification of all the Acts and Resolutions of the Board of Trustees, its duly Constituted Committees and the Management
- XI. Ratification of the appointment of Roxas Cruz Tagle and Co. (formerly BDO Roxas Cruz Tagle and Co.) as the External Auditor
- XII. Questions and Answers
- XIII. Adjournment

Proceedings:

The Annual General Meeting was called to order by the Chairman, Mr. Rogelio S. Bitome, at nine o'clock in the morning. He introduced incumbent members of the Board of Trustees present. He also introduced the Corporate Secretary who will serve as the secretary of the meeting and Ms. Maria Fe Gianan, Chairman of the Corporate Governance Committee, who will serve as the Election Inspector. After the introduction, an invocation was led by the Corporate Secretary.

I. Proof of Service of the Required Notice of the Meeting

Upon request of the Chairman, the Corporate Secretary presented and read the Notice of Annual Meeting¹ which were given on 21 March 2022 to 25 March 2022 to all regular members in Camarines, Sorsogon, Albay areas, and Catanduanes area, respectively. And was posted to the official website on 28 March 2022.

II. Proof of the Presence of a Quorum

The Chairman proceeded to the next item on the Agenda and requested from the Corporate Secretary a report on quorum. The Corporate Secretary reported that the Chairpersons list shows that 1,342 SLS Chairpersons entitled to vote at the meeting. The Corporate Secretary certified the existence of a quorum as there are 1,069 SLS Chairpersons, or approximately eighty percent (80%)

¹ Annex "A" Notice of the 2022 Annual General Membership Meeting

of all of the members entitled to vote, represented in person or by proxy. Thereupon, the Chairman declared the meeting duly convened and that there was a quorum to transact business.

III. Reading and Approval of the Minutes of the Previous Annual Meeting

Upon request of the Chairman, the Corporate Secretary read the Minutes of the Annual Meeting of the General Membership² held on 17 June 2021. There being no comment, upon motion duly made and seconded, the members approved the same.

IV. Unfinished Business

The Chairman inquired from the Corporate Secretary for any unfinished business from the previous Annual General Meeting. The Corporate Secretary responded in the negative. The Chairman proceeded to the next item on the Agenda.

V. Report of the Chairman, the Treasurer, and the Secretary

The Chairman advised that the reports of the Treasurer and the Secretary are already incorporated in his report, thus, he will be the only one reporting. After, the Chairman rendered his Annual Report³.

ARDCI Microfinance, Incorporated shall continue safeguarding the welfare of its members and employees, while ensuring that the Organization continues to operate effectively. Our response to the crisis has evolved in line with the pressing situation, and we remain fully committed to supporting all our stakeholders throughout the pandemic.

The Organization's plans for 2021 focused on increasing the loan portfolio, income and outreach, and lowering the portfolio at risk. Unfortunately, we were not able to reach the set targets. However, with the provided policies, strategies or measures implemented, we were able to post a positive income and loan portfolio, likewise for the portfolio at risk rate which significantly dropped and thereby exceeded the given target.

One of the major highlights of the year 2021 is the turn-over of the Organization's Corporate Social Responsibility (CSR) programs through its 5K initiatives – *Kalusugan, Karunungan, Kabuhayan, Komunidad, and Kalikasan* to its Affiliate, the ARDCI Foundation Inc., which started its operation early of 2021, and extending grant, to support the continuance of the CSR programs.

Also, offering of insurance products with the same premium and benefits as that of the members, to government agencies and private institutions in Catanduanes, giving a significant contribution to the Organization's income.

The creation of two (2) new subsidiaries, ARDCI Mart Inc. and ARDCI Business and Development Corporation, currently being built in Moonwalk, Virac, Catanduanes.

The Organization is continuously complying with the requirements of the Microfinance NGO Regulatory Council in line with RA No. 10693 or the Microfinance Act of the Philippines so as to maintain the 2% preferential tax given as a privilege to accredited MF NGOs.

Before 2021 ended, the Organization expressed its intent to participate in one of the projects supported by the Department of Agriculture - Philippine Rural Development Program which is integrated swine breeding part, to form part of ARDCI Microfinance, Incorporated's Corporate Social Responsibility.

With this, the Board, Officers, and of the Management demonstrated a remarkable response to the pandemic.

An open forum followed the reports. No further concerns or queries.

² Annex "B" Minutes of the 2021 Annual General Meeting

³ Annex "C" Chairman's Report

After the open forum, the Chairman proceeded to the next item on the Agenda.

VI. Election of the Three (3) Board of Trustees

The Chairman announced that the next order of business is the election of the members of the Board of Trustees. He requested the Corporate Secretary to present the nominees for the Board of Trustees. The Corporate Secretary gave a brief presentation of the nominees.

For Catanduanes area, the nominees were (1) Gina T. De Sevilla, and (2) Eva T. Pantaleon, both incumbent Board of Trustees from Branch 2.

For the Albay/Sorsogon/Camarines Sur areas, the nominees were (1) Presentacion C. Sergio from Tiwi Branch (Albay area), and (2) Sofia M. Butel from Ligao Branch (Albay area).

In the course of the presentation of nominees, there was a slide presentation of biographical information on the nominees being presented. After the presentation, the Chairman gave each nominee two (2) minutes to introduce themselves.

After the introductions, ballots were distributed. Votes cast were dropped in the ballot box placed on the center of the meeting table. The Chairman proceeded with the other items on the agenda.

VII. Approval of the Audited Financial Statements calendar year ending 2021

The Chairman requested for the deferment of the next item on the Agenda which is the approval of the Audited Financial Statements calendar year ending 2021.

VIII. Ratification of the creation of the new subsidiaries

The Chairman proceeded with the next item on the Agenda which is the ratification of the creation of the new subsidiaries. On motion duly made and seconded, the members unanimously passed and approved the following resolution:

“RESOLVED, AS IT IS HEREBY RESOLVED, that the members herein present representing more than 2/3 of all members eligible to vote, do hereby approve and ratify the creation of a wholesale and retail trade (grocery), and retail and commercial space leasing (rental) of ARDCI Microfinance, Incorporated.”

IX. Ratification of the amended Constitution and By-Laws

The Chairman proceeded with the next item on the Agenda which is the ratification of the amended Constitution and By-Laws⁴. He requested the Corporate Secretary to discuss the changes made to the By-Laws. On motion duly made and seconded, the members unanimously passed and approved the following resolution:

“RESOLVED, AS IT IS HEREBY RESOLVED, that the members herein present representing majority of the members eligible to vote, do hereby approve and ratify the amended Constitution and By-Laws of ARDCI Microfinance, Incorporated.”

X. Ratification of all the Acts and Resolutions of the Board of Trustees, its duly Constituted Committees and the Management

The Chairman proceeded with the next item on the Agenda which is the ratification of the acts of the Board of Trustees and Management. On motion duly made and seconded, the members unanimously passed and approved the following resolution:

⁴ Annex “D” Amended Constitution and By-Laws

“RESOLVED, AS IT IS HEREBY RESOLVED, that the members herein present representing majority of the members eligible to vote, do hereby ratify and affirm all acts, transactions and contracts entered into as well as resolutions made and adopted by the Board of Trustees and its duly constituted committees and of the Management from the date of the Annual General Meeting in 2020 up to this year's annual meeting as reflected in the minutes of the meetings of the Board of Trustees, its duly constituted committees, and of the Management.”

XI. Ratification of the appointment of Roxas Cruz Tagle and Co. (formerly BDO Roxas Cruz Tagle and Co.) as the External Auditor

The Chairman proceeded with the next item on the Agenda which is the ratification of the appointment of Roxas Cruz Tagle and Company (formerly BDO Roxas Cruz Tagle and Company) as the Corporation's external auditor. There being no objection, on motion duly made and seconded, the members unanimously passed and approved the following resolution:

“RESOLVED, AS IT IS HEREBY RESOLVED, that the members herein present representing majority of the members eligible to vote, do hereby approve the appointment of Roxas Cruz Tagle and Company (formerly BDO Roxas Cruz Tagle and Company) as the external auditor of ARDCI Microfinance, Incorporated under such terms and conditions as may be approved by the Board of Trustees.”

XII. Canvassing

The Chairman gave the floor to the Chairman of the Corporate Governance Committee to supervise the canvassing of votes. Ms. Gianan canvassed the votes. After canvassing, the following votes were cast:

For Catanduanes area,

1. **Gina T. De Sevilla (Branch 2) – 6 votes,** and
2. **Eva T. Pantaleon (Branch 2) – 6 votes.**

For the Albay/Sorsogon/Camarines Sur areas,

1. Presentacion C. Sergio from Tiwi Branch (Albay area) – 0 vote, and
2. **Sofia M. Butel from Ligao Branch (Albay area) – 6 votes.**

Ms. Gianan proclaimed the elected three (3) members of the Board of Trustees, namely: (1) Gina T. De Sevilla – retained, (2) Eva T. Pantaleon – retained, and (3) Sofia M. Butel – replacement for Edna Bermundo with finished term, who shall serve for a term of three (3) consecutive years.

On motion duly made and seconded, the members unanimously passed and approved the following resolution:

“RESOLVED, AS IT IS HEREBY RESOLVED, that the members herein present representing majority of the members eligible to vote, unanimously concurs with the results of the election of the Board of Trustees for the period June 2021 until their respective terms given the transition period.”

XIII. Adjournment

There being no other matter for discussion, upon motion duly made and seconded, the Chairman declared the meeting adjourned at thirty minutes past ten in the morning and conveyed his gratitude to all for their attendance and participation.

Certified true and correct:


JUSTINNE FAUVE C. VEGA
Corporate Secretary

NOTICE OF THE 2022 ANNUAL GENERAL MEMBERSHIP MEETING

TO: ALL SLS CHAIRPERSONS

NOTICE IS HEREBY GIVEN that the Annual General Membership Meeting of the members of ARDCI Microfinance, Incorporated will be held on 19 April 2022 Tuesday, at the ARDCI Corporate Building San Roque, Virac, Catanduanes, Philippines, commencing at nine o'clock in the morning.

The agenda for this meeting is as follows:

1. Proof of service of the required notice of the meeting;
2. Proof of the presence of the quorum;
3. Reading and approval of the minutes of the previous Annual General Meeting;
4. Unfinished business;
5. Report of the Chairman, the Treasurer and the Secretary;
6. Election of three (3) Board of Trustees;
7. Ratification of the Audited Financial Statements calendar year ending 2021;
8. Ratification of the creation of the new subsidiaries;
9. Ratification of the Amended Constitution and By-Laws;
10. Ratification of all the Acts and Resolutions of the Board of Trustees;
11. Ratification of the appointment of BDO Roxas Cruz Tagle and Company to serve as the external auditor;
12. Questions and Answers; and
13. Adjournment.

A record of the acts and resolutions of the Board of Trustees are with the Corporate Secretary and may be examined by anyone interested. Also, the profiles of the trustees for election are available on the next page.

Every qualified Voting Member is entitled to one (1) vote. The voting procedure during the AGM for the election of Board of Trustees shall be casting of ballots while that for voting on motions shall be by voice ("viva voce") or other applicable methods as may be determined by the Chairman of the Meeting.

The Company will allow attendance by remote communication and voting in absentia, subject to validation procedures. We strongly encourage to attend and participate in the said AGM.

Done this 18th day of March, 2022 in Virac, Catanduanes.

By authority of the Board


JUSTINNE FALVEC. VEGA
Corporate Secretary

PROFILE OF QUALIFIED NOMINEES FOR BOARD OF TRUSTEES

	Name	Presentacion Sergio
	Branch, Area	Tiwi, Albay
	Length of Membership	11 years
	No. of Years as SLS Chairperson	9 years
	Total No. of SLS Members	59
	Business	Poultry Farm/Livestock
	Educational Attainment	College Graduate

	Name	Sofia Butel
	Branch, Area	Ligao, Albay
	Length of Membership	13 years
	No. of Years as SLS Chairperson	10 years
	Total No. of SLS Members	43
	Business	PUJ Operator, Hog Raising
	Educational Attainment	High School Graduate

	Name	Eva Pantaleon
	Branch, Area	Baras, Catanduanes
	Length of Membership	18 years
	No. of Years as SLS Chairperson	8 years
	Total No. of SLS Members	54
	Business	Farmer
	Educational Attainment	High School Graduate

	Name	Gina De Sevilla
	Branch, Area	Baras, Catanduanes
	Length of Membership	25 years
	No. of Years as SLS Chairperson	20 years
	Total No. of SLS Members	98
	Business	Fish Dealer
	Educational Attainment	High School Graduate

MINUTES OF THE 2021 ANNUAL GENERAL MEETING

ARDCI Corporate Inn Function Hall, 6/F ARDCI Corporate Bldg., San Roque, Virac, Catanduanes 4800

17 June 2021

Present:

Rogelio S. Bitome	-	Chairman, incumbent/ Nominee, Catanduanes Area
Cristy S. Coronejo	-	Vice Chairman, incumbent/ Nominee, Catanduanes Area
Adela G. Camacho	-	Member, incumbent
Salve P. Lozada	-	Member, incumbent
Evelyn C. Mangapis	-	Member, incumbent
Rapunzel T. Tapel	-	Member, incumbent/ Nominee, Catanduanes Area
Corazon DL. Atanacio	-	Member, incumbent/ Nominee, Catanduanes Area
Ray B. Bilon	-	Member, incumbent/ Nominee, Albay Area
Marilyn A. Carillo	-	Member, incumbent
Victor T. Bernal	-	President, incumbent
Edna Bermundo	-	Nominee, Albay Area
Lourdes Ranoco	-	Nominee, Sorsogon Area
Emerita Zambrano	-	Nominee, Camarines Area
Alma Aguinaldo	-	Nominee, Camarines Area
Gina De Sevilla	-	Nominee, Catanduanes Area
Eva Pantaleon	-	Nominee, Catanduanes Area
Helen Bueno	-	Nominee, Catanduanes Area

Agenda:

- I. Proof of service of the required notice of the meeting
- II. Proof of the presence of the quorum
- III. Reading and approval of the minutes of the previous annual meeting
- IV. Unfinished business
- V. Report of the Chairman and the President
- VI. Election of the Trustees for the ensuing year
- VII. Other matters
 1. Presentation of the Financial Statements calendar year ending 2020
 2. To ratify the Creation of New Subsidiaries
 3. To approve the amended Articles of Incorporation and By-Laws
 4. To ratify the acts of the Board of Trustees and the Management
 5. To ratify the appointment of BDO Roxas Cruz Tagle and Company as the External Auditor

Proceedings:

The Annual General Meeting was called to order by the Chairman, Mr. Rogelio S. Bitome, at thirty minutes past nine in the morning. He introduced incumbent members of the Board of Trustees present. He also introduced the Corporate Secretary who will serve as the secretary of the meeting and Atty. Alfred M. Aquino, Chairman of the Elections Committee, who will serve as the Election Inspector. After the introduction, an invocation was led by the Corporate Secretary.

I. Proof of Service of the Required Notice of the Meeting

Upon request of the Chairman, the Corporate Secretary presented and read the Notice of Annual Meeting which were mailed on 23 April 2021 and 14 May 2021 to all regular members in Camarines, Sorsogon, Albay areas, and Catanduanes area, respectively.

II. Proof of the Presence of a Quorum

The Chairman proceeded to the next item on the Agenda and requested from the Corporate Secretary a report on quorum. The Corporate Secretary reported that the Chairpersons list shows that 1,311 SLS Chairpersons entitled to vote at the meeting. The Corporate Secretary certified the

existence of a quorum as there are 1,079 SLS Chairpersons, or approximately eighty two percent (82%) of all of the members entitled to vote, represented in person or by proxy. Thereupon, the Chairman declared the meeting duly convened and that there was a quorum to transact business.

III. Reading and Approval of the Minutes of the Previous Annual Meeting

Upon request of the Chairman, the Corporate Secretary read the Minutes of the Annual Meeting of the General Membership held on 16 June 2020. There being no comment, upon motion duly made and seconded, the members approved the same.

IV. Unfinished Business

The Chairman inquired from the Corporate Secretary for any unfinished business from the previous Annual General Meeting. The Corporate Secretary responded in the negative. The Chairman proceeded to the next item on the Agenda.

V. Report of the Chairman, the Treasurer, and the Secretary

The Chairman advised that the reports of the Treasurer and the Secretary are already incorporated in his report, thus, he will be the only one reporting. After, the Chairman rendered his Annual Report. The report highlighted the following:

Due to COVID-19 pandemic as well as the ST Rolly which greatly affected Catanduanes, the Organization’s plans for 2020 like opening of new branches and operating of new subsidiary/ies were hampered while target loan portfolio, outreach, and income were not met. Evidently, a significant increase in portfolio at risk rate.

With this, in response to current situation, the year 2020 for the Organization focused on the following:

- a. Crafting and subsequently implementing the New Normal Policy;
- b. Adhering with government rules and regulations like providing loan moratoriums, etc.;
- c. Audited Financial Statements for the year ending 31 December 2020 underlining the Organization’s resources, liabilities, capital funds, and net comprehensive income;
- d. Continuously enjoying the 2% preferential tax given as a privilege to accredited Microfinance NGOs relative to RA no. 10693 otherwise known as the Microfinance Act of the Philippines;
- e. Creation of new subsidiaries: ARDCI Mart Inc. and ARDCI Foundation Inc.

An open forum followed the reports.

After the open forum, the Chairman proceeded to the next item on the Agenda.

VI. Election of the Trustees for the Ensuing Year

The Chairman announced that the next order of business is the election of the members of the Board of Trustees. He requested the Corporate Secretary to present the nominees for the Board of Trustees. The Corporate Secretary gave a brief presentation of the following nominees:

Catanduanes	Albay/Sorsogon/Camarines Sur
Cristy Coronejo (Branch 4)	Alma Aguinaldo (Camarines Sur)
Gina De Sevilla (Branch 2)	Emerita Zambrano (Camarines Sur)
Eva Pantaleon (Branch 2)	Ray Bilon (Albay)
Rogelio Bitome (Branch 5)	Edna Bermundo (Albay)
Rapunzel Tapel (Branch 3)	Lourdes Ranoco (Sorsogon)
Helen Bueno (Branch 4)	

In the course of the presentation of nominees, there was a slide presentation of biographical information on the nominee being presented. After the presentation, the Chairman gave each nominee two minutes each to introduce themselves.

After the introductions, ballots were distributed. Votes cast were dropped in the ballot box placed on the center of the meeting table. The Chairman proceeded with the other items on the agenda.

VII. Other Matters

a. To ratify the Amended Articles of Incorporation

The Chairman announced that the next item on the Agenda is the approval of the amended Articles of Incorporation. He requested the Corporate Secretary to discuss the amendments made to the same. On motion duly made and seconded, the members unanimously passed and approved the following resolution:

“RESOLVED, AS IT IS HEREBY RESOLVED, that the members herein present representing majority of the members eligible to vote, do hereby approve and ratify the following amendments to the Articles of Incorporation (attached and incorporated herein as ANNEX “A”).”

b. To ratify the New By-Laws

The Chairman proceeded with the next item on the Agenda which is the approval of the new By-Laws. He requested the Corporate Secretary to discuss the changes made to the By-Laws. On motion duly made and seconded, the members unanimously passed and approved the following resolution:

“RESOLVED, AS IT IS HEREBY RESOLVED, that the members herein present representing majority of the members eligible to vote, do hereby approve and ratify the new By-Laws of ARDCI Microfinance, Incorporated (attached and incorporated herein as ANNEX “B”).”

c. To ratify the acts of the Board of Trustees and the Management

The Chairman proceeded with the next item on the Agenda which is the ratification of the acts of the Board of Trustees and Management. On motion duly made and seconded, the members unanimously passed and approved the following resolution:

“RESOLVED, AS IT IS HEREBY RESOLVED, that the members herein present representing majority of the members eligible to vote, do hereby ratify and affirm all acts, transactions and contracts entered into as well as resolutions made and adopted by the Board of Trustees and its duly constituted committees and of the Management from the date of the Annual General Meeting in 2020 up to this year's annual meeting as reflected in the minutes of the meetings of the Board of Trustees, its duly constituted committees, and of the Management.”

d. To ratify the appointment of BDO Roxas Cruz Tagle and Company to serve as the external auditor

The Chairman proceeded with the next item on the Agenda which is the ratification of the appointment of BDO BDO Roxas Cruz Tagle and Co. as the Corporation's external auditor. There being no objection, on motion duly made and seconded, the Stockholders unanimously passed and approved the following resolution:

“RESOLVED, AS IT IS HEREBY RESOLVED, that the members herein present representing majority of the members eligible to vote, do hereby approve the appointment of BDO Roxas Cruz Tagle and Co. as the external auditor of ARDCI Microfinance, Incorporated under such terms and conditions as may be approved by the Board of Trustees.”

VIII. Canvassing

The Chairman gave the floor to the Chairman of the Election Committee to supervise the canvassing of votes. Atty. Aquino canvassed the votes. After canvassing, the following votes were cast:

Catanduanes	Albay/Sorsogon/Camarines Sur
Cristy Coronejo - 11	Alma Aguinaldo - 10
Gina De Sevilla - 8	Emerita Zambrano - 9
Eva Pantaleon - 8	Ray Bilon - 8
Rogelio Bitome - 11	Edna Bermundo - 8
Rapunzel Tapel - 11	Lourdes Ranoco - 1
Helen Bueno - 3	

Atty. Aquino proclaimed the elected members of the Board of Trustees, namely:

1. Cristy Coronejo
2. Gina De Sevilla
3. Rogelio Bitome
4. Rapunzel Tapel
5. Eva Pantaleon
6. Alma Aguinaldo
7. Emerita Zambrano
8. Ray Bilon
9. Edna Bermundo

Section 4, Article II Term of Trustees:

- First three (3) candidates for membership in the Board of Trustees garnering the highest number of votes shall serve for a term of **three (3) consecutive years**:
 1. **Cristy Coronejo – Branch 4**
 2. **Rogelio Bitome – Branch 5**
 3. **Rapunzel Tapel – Branch 3**
- Second three (3) candidates for membership to the Board of Trustees garnering the highest number of votes shall serve for a term of two (2) years:
 1. Alma Aguinaldo
 2. Emerita Zambrano
 3. *Ray Bilon, Edna Bermundo, Gina De Sevilla, Eva Pantaleon

*Four (4) candidates tied for the 2-year term. Ballots were distributed. Votes cast were dropped in the ballot box placed on the center of the meeting table. Atty. Aquino canvassed the votes. After canvassing, the following votes were cast:

- a. De Sevilla, Gina - 2
- b. Pantaleon, Eva - 2
- c. Bilon, Ray – 5
- d. Bermundo, Edna - 2

Atty. Aquino proclaimed the three (3) candidates garnering the highest number of votes who shall serve for a term of **two (2) consecutive years**, namely:

1. **Alma Aguinaldo – Naga Branch**
 2. **Emerita Zambrano – Goa Branch**
 3. **Ray Bilon – Tabaco Branch**
- Last three (3) candidates for membership to the Board of Trustees garnering the highest number of votes shall serve for a term of **one (1) year**:
 1. **Edna Bermundo – Bacacay Branch**
 2. **Gina De Sevilla – Branch 2**
 3. **Eva Pantaleon – Branch 2**

On motion duly made and seconded, the members unanimously passed and approved the following resolution:

“RESOLVED, AS IT IS HEREBY RESOLVED, that the members herein present representing majority of the members eligible to vote, unanimously concurs with the results of the election of the Board of Trustees for the period June 2021 until their respective terms given the transition period.”

IX. Adjournment

There being no other matter for discussion, upon motion duly made and seconded, the Chairman declared the meeting adjourned at twenty five minutes past eleven in the morning and conveyed his gratitude to all for their attendance and participation.

Certified true and correct:


JUSTINNE FAUVE C. VEGA
Corporate Secretary

CHAIRMAN'S REPORT

Dios mayad na aga sa saindo gabos.

An ARDCI Microfinance, Incorporated ay uminagi sa napakachallenging na business environment kan mga nakaaging taong 2020 hasta 2021. Ang COVID-19 pandemic ay nagkawsa ning disruption sa global economic condition asin disruption sa human and health na nakaapekto sa pagkadinakol na buhay ng mga tawo kabali an mga miyembros o ang satong ARDCI family, saindang mga parientes asin mga amigo amiga.

Dahil sa pandemya, sumairarom kita sa mga lockdowns, an ibang mga empleyado ta sa branch asin Head Office ay nagpositibo sa COVID-19. Sa dae man pigaasahan na pagkakataon, tahaw nin taon, ay pinorbaran pa an tatag kan satong Organisasyon. Naapektuhan tulos ang satong branches sa Tanauan asin Lemery sa Batangas dahil sa pagalburoto kan Bulkang Taal. An ARDCI naman, nagpreparar nin relief operations sa mga apektadong lugar. Dahil uya, an ARDCI mina pirmeng matatag, makusog, asin marinas.

Satong magilumduman kan nakaaging taon 2021, pigpresentar mi man saindo an mga kaplanuhan para sa taon. Inilatag mi an mga nahihiling asin ang mga pagtrabahuhan niming income asin outreach. Dae kita nagplanong magexpand nin branches sa kadahilanan na igwa pa kitang mga branches na dae pa nag-iincome pero pigplano ta ng magbukas sa mga lugar na igwang mababang kaso ning COVID-19, padagos na pagrecruit nin mga miyembros asin ang paglangkaw ning collection. Sa ngunyan ngang enot na quarter ay nakapagbukas na kita ning branches as Palawan, Capiz, asin Panay Island.

An Board asin an Management, nagkasararo na magkaag pa man dagos ning target sa portfolio asin outreach para sa taong 2021 para maheling niato kung haen na dapit ang ARDCI sa tahaw ning pandemya.

Kan 2021, pig-antisipar niato na magkakaigwa kita nin One Billion One Hundred Ninety Million Three Hundred Thousand Pesos (₱1,190,300,000.00) na loan portfolio pag-abot ning Disyembre kan nasabing taon. Sa pagtapos ning 2021, an satong portfolio nasa One Billion One Hundred Fifty Nine Million Eight Hundred Eighty Eight Thousand Twenty Six Pesos and 37/100 (₱1,159,888,026.37).

Sa net income, nagtarget man kita nin One Hundred Nineteen Million Thirty Thousand Pesos (₱119,030,000.00) pero an sato pong naging income ay One Hundred Three Million Four Hundred Eighty Seven Thousand One Hundred Forty Three Pesos and 67/100 (₱103,487,143.67) sa pagtapos kan 2021.

Sa outreach, nag-target kita ning One Hundred Forty One Thousand Seven Hundred Fifty (141,750) na mga borrowing members sa pagtapos ning taong 2021. Pag abot nin Disyembre 2021, napaabot lang niato ning One Hundred Twenty Thousand Two Hundred Seventy Three (120,273) ang borrowing members.

An mga datos na ito ay unaudited pa lamang. Gahalat na lang po kita nin final audit report pero kasu hapon ay nakapagfile naman po kita nin Annual Income Tax Return na kaipuhan po sa BIR.

Kung satong magigilumdum, kan taong 2020 ay puminalo nin 32.86% an satong PAR ratio, kung kaya't taong 2021 ay nagtarget kita nin 5% PAR ratio. Dahil sa mga ginibong polisiya asin mga measures ning Board asin an Management para mapunduna an paglangkaw nin satong PAR ratio, kung kaya nakapagtala kita ning 3.10% sa pagtapos kan 2021.

Pero ini po gabos piga-address na nita. Nagkahang pa kita nin mga dagdag na stratehiya sa satong branches habang garecover an satong mga miyembros asin an satong Organisasyon diit diit na makabawi sa krisis sa ekonomiya na dala ning pandemya. Padagos man syempre an satong New Normal Policy ta

nganing masustenar ang operasyon sa branches habang pigamantener ang kaligtasan nin mga miyembros asin mga empleyado.

Tabang pag-abot sa satong mga miyembros, pigimplementar ta ang Balik-sagip program para magtao nin konsiderasyon sa satong mga miyembros na dae na nakabayad sa loan dahil sa lubos na naapektuhan ang kanilang mga business asin magbalik utro an mga miyembros na nagresign.

Pigtugutan ta man an satong mga miyembros na magwithdraw nin sa indang CBU alinsunod sa mga kwalipikasyon asin guidelines na pigtao ta. Asin bago matapos an taon ay pigpadagos ta na utro an pagtao ning insentibo para sa satong mga Chairpersons na padagos an pagtabang sa satong mga branch asin sa kapwa ninda members.

Bukod sa satong miyembros, ay binuksan ta man an satong insurance sa mga empleyado nin gobyerno asin mga private na institusyon uya sa Catanduanes sa paagi kan Insurance Extended Membership na ga-offer nin parehas na premium asin benepisyo sa satong mga miyembros.

Pag-abot man sa satong mga empleyado, nagtao kita nin asistensya sa mga nagpositibo asin sa mga nagquarantine. Nagkaag man kita ning telemedicine program alog ning Online si Dok Consultation. Asin manlain-lain na mga online trainings asin webinars.

At bilang pasasalamat man sa satong mga empleyado sa branches na sarong sa mga nagtao ning dakulang kontribusyon sa satong Organisasyon, nag-allocate man tabi kita ning dagdag na insentibo para sa sainda asin nagtao man ang Water.org nin insentibo para sa tabang ninda sa WASH program na pigaoffer na sa bilog na branches.

Padagos man tabi kitang nagsusunod sa Republic Act No. 10693 o ang Microfinance Act of the Philippines. At bilang akreditado ning Microfinance NGO Regulatory Council o MNRC ay kaipuhan tang magsunod sa probisyon manungod sa pagkaag nin limit sa savings kan miyembros asin sa pagloan. Pigbaba ta man an interes sa satong savings. Bukod uya, nag-appoint na man po kita ning Independent Trustee na siyang ma-guide, ma-mentor asin matabang sa pagimprove sa sato pagabot sa governance at sa pagimprove kan credibilidad kan Organisasyon ta.

Pigpadagos man ang pagconstruct ning satuyang ARDCI Corporate Building 2. Nagtarget sana ining matapos bago ang naging anibersaryo ng ARDCI nung nakaaging Setyembre 2021 ngunit dahil sa mandiiit diit na delay ay nagbukas ito ngunyan ng Pebrero 2022.

Padagos man po kita sa pagbakal ning mga lote. Sarong uya ay sa Hawan Ilaya, Virac kung saen ang swine breeding project, an proyekto kasama ang Department of Agriculture na magtatao nin grant sa Organisasyon, ay itatayo.

Nakapagbukas pa kita nin duwang subsidiaries – ang enot ay ang ARDCI Mart Inc. kung saen satong i-cater an mga miyembros, mga empleyado kan ARDCI asin an general public sa pagtao nin discounts sa grocery. Nagfranchise man sinda ning Miniso. An panduwa naman ay ang pagkakaigwa nin ARDCI Business and Development Corporation na siyang makapot nin mga paupahan sa laog kang ARDCI Business Center. Ang nasabing subsidiaries ay pigaconstruct pa hanggang sa ngunyan sa Moonwalk, Virac.

Bago naman matapos an taon ay nakapagappoint kita nin bag'ong HRMU Director asin Operations Director na nahaloy ng bakante.

An satong Corporate Social Responsibility Programs 5K initiatives ay pinadagos na kan satong affiliate, ang ARDCI Foundation Inc. Kabali ang Online si Dok, ARDCI Bayanihan, ARDCI Weekend Market, Scholarship, asin iba pa. Nangenot man sinda sa pagbakuna kan mga empleyado nin satong Organisasyon, Subsidiaries, Affiliate, ilang miyembros sa Catanduanes, asin an saindang mga pamilya.

Kung ano man su kakulangan kang 2021, pipiliton niatong makua asin malagpasan ang mga ito ngunyan na taon.

An ARDCI tunay na dakul na natatabangan maski nasa panahon nin pandemya.

Iyan po ang mga mahahalagang nangyari kang taong 2021.

Odok sa buot ko tabi na pagpamabalos sa saindong padagos asin daing sawang pagsuporta.

Mabalos otro sa saindong gabos.

**AMENDED CONSTITUTION AND BY-LAWS
OF
ARDCI MICROFINANCE, INCORPORATED
(Formerly ARDCI NGO Group, Inc.)**

**ARTICLE I
Membership**

- Section 1. **Qualifications for Membership.** Membership in ARDCI Microfinance, Incorporated shall be open to residents in areas of operation subject to the following minimum qualifications and conditions:
1. Only one from each family or household may join as Savings and Loans System (SLS) member and the household's monthly income should fall below the poverty threshold as determined by current statistics from the National Statistics Office.
 2. Those aged 18 to 60 years old.
 3. Physically fit citizens.
 4. Those that have satisfactorily completed the Group Guarantee Compulsory Training (GGCT).
 5. Permanent resident of a barangay in areas of operations for at least one (1) year.
 6. An enterprising poor engaged or is willing to engage in productive activity.
 7. Those who are willing to abide by ARDCI Microfinance, Incorporated regulations.
- Section 2. **Disqualification for Membership.** The following are disqualified from ARDCI Microfinance, Incorporated membership:
1. Those who occupy elective or appointive positions higher than barangay captain.
 2. Those who have been convicted by final judgment of an offence punishable by imprisonment or a period exceeding six years.
 3. Those who have been convicted of offence involving moral turpitude or persons judicially declared to be insolvent, spendthrift or incapacitated to contract.
- Section 3. **Rights of Members.** A member shall have the right to:
1. Be eligible for election to the Board of Trustees subject to the requirements of qualifications and/or disqualifications.
 2. Participate in all deliberations or meetings of ARDCI Microfinance, Incorporated within the SLS or in meeting called for by the Board Chairman.
 3. Avail of all the facilities and service of ARDCI Microfinance, Incorporated and examine all the records or books of ARDCI Microfinance, Incorporated during business hours.
- Section 4. **Duties and Responsibilities of Members.** Members shall have the following duties and responsibilities:
1. Pay membership dues and other assessments.
 2. Attend both Guarantee Group (GG) and SLS meetings regularly and punctually.
 3. Maintain SLS Quality Membership (QM) status by exercising peer support/peer pressure in savings and repayments
- Section 5. **Termination.** Membership shall be terminated upon death, resignation, or expulsion.

ARTICLE II Meetings

Section 1. **Annual Meetings.** The annual meeting of the members shall be held at the principal office of ARDCI Microfinance, Incorporated on the third Tuesday of April each year. The Board of Trustees or members who cannot physically attend at the annual meeting may participate in such meetings through remote communication or other alternative modes of communication and shall be deemed present for purposes of quorum, and thus entitled to vote on matters subject for approval, subject to existing SEC Guidelines (As amended on June 17, 2021).

Section 2. **Special Meetings.** Special General Membership Meetings may be called as the need arises by the Board of Trustees or by the Board Chairman, or upon petition of one third (1/3) of the general membership. Remote communication meeting or teleconferencing as discussed in the immediately preceding section may also be availed during special meetings of the Board, subject to existing SEC Guidelines (As amended on June 17, 2021).

Section 3. **Notices.** Notice of the annual meeting stating the date, time, and place of meeting shall be served either personally through any duly authorized representative or through any means of communications to members at least twenty-one (21) days prior to the scheduled meeting.

Notice of the special meeting stating the date, time, and place of meeting must be sent to members at least one (1) week prior to the scheduled meeting.

In case of postponement of members' regular meetings, written notice shall be sent to all members of record at least two (2) weeks prior to the date of the meeting. (As amended on June 17, 2021)

Section 4. **Quorum.** A quorum for every meeting of the members shall consist of a majority (50%+1) of the members and a majority of such quorum may decide on any question at the meeting, except those matters where the Corporation Code requires the affirmative vote of a greater proportion.

Section 5. **Order of Business.** The order of business at regular or special meetings of the members shall be as follows:

A. Regular Meetings

1. Call to order
2. Proof of service of the required notice of the meeting
3. Proof of the presence of a quorum
4. Reading and approval of the minutes of the previous meeting
5. Annual report of the Board Chairman
6. Election of the members of the Board of Trustees
7. Unfinished business
8. New business
9. Adjournment

B. Special Meetings

1. Call to order
2. Proof of service of the required notice of the meeting
3. Proof of the presence of a quorum
4. Business for which the meeting has been called
5. Adjournment

Section 6. **Voting Rights.** SLS Chairpersons from the branches listed below are entitled to one (1) vote at any regular or special meeting of the general membership:

1. Catanduanes: Branch 1, Branch 2, Branch 3, Branch 4, and Branch 5

2. Albay: Tabaco, Bacacay, Legaspi, Ligao, and Tiwi
3. Sorsogon: Sorsogon, Casiguran, Irosin, Pilar, and Bulan
4. Camarines Sur: Iriga, Naga, and Goa.

In case of branch splitting, only existing SLS Chairpersons from the old branch vested with voting rights shall maintain their right to vote (As amended on April 19, 2022).

ARTICLE III Board of Trustees

- Section 1. **Board of Trustees.** The corporate powers of ARDCI Microfinance, Incorporated shall be exercised, its business conducted, and its property controlled, including the corporate control of any and all subsidiaries and affiliates that it may be establish, by and through the Board of Trustees, composed of eleven (11) Trustees, five (5) of whom shall be elected from the rank of SLS Chairpersons from the province of Catanduanes, four (4) of whom shall be elected from the rank of SLS Chairpersons from branches in Albay, Sorsogon, and Camarines Sur listed in section 6, Article II, and two (2) of which shall be Independent Trustees.
- Section 2. **Qualifications.** The following are the qualifications to be eligible for election as a member of the Regular Board of Trustees:
1. Must be at least 23 years of age and an active SLS member for at least 5 years at the time of election.
 2. Must possess good moral character, integrity and commitment to the organization.
 3. Must have completed at least secondary education and has considerable experience in SLS operations and other related activities.
 4. Must be an SLS Chairperson for at least one (1) year and has performed the expected duties and responsibilities satisfactorily.
 5. Must be a Quality member (QM) belonging to an SLS with QM status (SLS level) for at least one (1) year prior to the election.
 6. Must belong to an SLS with a minimum of thirty (30) members.
 7. Must have an existing loan or micro business financed by ARDCI Microfinance, Incorporated's microcredit program.
- Section 3. **Disqualifications.** The following are disqualified for election as a member of the Regular Board of Trustees:
1. Those related within the fourth civil degree of consanguinity or affinity to an ARDCI Microfinance, Incorporated staff holding top management position (from Branch Manager to higher post).
 2. Those who are permanent or regular employee in government or private businesses or institutions.
 3. Those who have been convicted by final judgment of an offense punishable by imprisonment for a period exceeding six (6) years, for violating the Revised Corporation Code of the Philippines, and/or for violating Republic Act No. 8799, otherwise known as "The Securities Regulation Code" committed within five (5) years prior to the election or appointment. (As amended on April 19, 2022)
 4. Those who have been convicted of an offense involving moral turpitude, or judicially declared insolvent, spendthrift, or incapacitated to contract within five (5) years prior to the election or appointment. (As amended on April 19, 2022)
 5. Those who have been found administratively liable for any offense involving fraudulent acts punishable under Republic Act No. 11232, otherwise known as the Revised Corporate Code of the Philippines, Republic Act No. 8799, otherwise known as the Securities Regulation Code, and other laws, rules or regulations enforced or implemented by the Commission, within five (5) years prior to the election or appointment. (As amended on April 19, 2022)
 6. Those convicted or found administratively liable by a foreign court or equivalent foreign regulatory authority for acts, violations or misconduct similar to numbers 3,

4, and 5, within five (5) years prior to the election or appointment. (As amended on April 19, 2022)

7. Those who have willfully failed or refuse to comply with any law, order, instruction or regulation, of any provision of the Corporation Code, Securities Regulation Code or any other law administered by the Commission, or have conducted business in an unlawful, unsafe or unsound manner.
8. Those who have lost their QM status.
9. Those who are related within the second civil degree of consanguinity or affinity to any incumbent trustee.

Section 4. **Term of Trustees.** On the immediately succeeding election of members of the Regular Board of Trustees after this amendment, the first three (3) candidates for membership in the Board of Trustees garnering the highest number of votes shall serve for a term of three (3) consecutive years, the second three (3) candidates for membership to the Board of Trustees garnering the highest number of votes shall serve for a term of two (2) years, and lastly, the remaining last three (3) candidates for membership to the Board of Trustees garnering the highest number of votes shall serve for a term of one (1) year. Election shall be held annually to fill out the resulting vacancies. Except for the aforesaid initial set of Trustees, succeeding regular trustees shall hold office for three (3) consecutive years with two (2) re-elections.

Section 5. **Manner of Election.** The members of the Regular Board of Trustees shall be elected or re-elected by the voting members during the regular or at a special meeting called for the purpose.

During the transition period, the resulting vacancies caused by the expiration of the terms of the first elected members of the Board of Trustees after this amendment shall take effect shall be filled out by electing qualified representatives from the branch where the resulting vacancies came from and from the branch not yet represented in the board of trustees (As amended on April 19, 2022).

If and when the resulting vacancy will create a situation where every branch is still equally represented, then the qualified representative to be voted upon as member of the Board of trustees shall be coming from the branch where the resulting vacancy will come from and from each and every branch in the area which are equally represented in the Board.

After the first election of the members of the Board of Trustees with staggered terms, the incoming members of the board who will replace those members whose term have expired shall be voted upon, through a majority vote, by those remaining members of the Board of Trustees whose term has not yet expired.

Section 6. **Regular Meetings.** Regular meetings of the Board of Trustees shall be held once every third Thursday of each month at such place and hours to be fixed either by the Board of Trustees or by the Chairman of the Board.

Remote communication meetings using the latest available mode of telecommunications maybe availed of by the Board of Trustees to accommodate those members of the Board who are not physically present to participate in the board meetings. For purposes of this section, whenever a physically absent member of the Board availed of this remote communication or telecommunications and/or teleconferencing technologies, he can be considered present and may be counted to determine whether there is a quorum and, thus, is entitled to vote on matters subject for approval, subject to existing SEC Guidelines (As amended on June 17, 2021).

Section 7. **Special Meetings.** Special meetings of the Board of Trustees may be called by the Chairman of the Board or by a majority of the officers and members of the Board as the need arises. Remote communication meeting or teleconferencing as discussed in the immediately preceding section may also be availed during special meetings of the Board, subject to existing SEC Guidelines (As amended on June 17, 2021).

- Section 8. **Notice of Meetings.** Notice of meetings stating the date, time and place of the meeting must be sent to every trustee (As amended on June 17, 2021) either personally or through any means of communications no less than two (2) days before the scheduled meeting.
- Section 9. **Quorum.** A majority of the number of Regular Trustees shall constitute a quorum for the transaction of corporate business, and every decision of at least a majority of the Regular Trustees present at a meeting at which there is a quorum shall be valid as a corporate act, except for the election of officers which shall require the vote of a majority of all the members of the Board. Trustees cannot attend or vote by proxy at Board meetings.
- Section 10. **Removal of Trustees.** Any trustee may be removed from office by a vote of at least two-thirds (2/3) of the members entitled to vote: Provided, That such removal shall take place either at a regular meeting or at a special meeting called for the purpose, and in either case, after previous notice to members of the intention to propose such removal at the meeting. A special meeting of the members for the purpose of removal of trustees, or any of them, must be called by the Secretary on order of the Board Chairman or on the written demand of a majority of the members entitled to vote. Should the Secretary fail or refuse to call the special meeting upon such demand or fail or refuse to give the notice, the call for the meeting may be addressed directly to the members by any member signing the demand. Notice of the time and place of such meeting, as well as of the intention to propose such removal, must be given by publication or by written notice prescribed in the Corporation Code.
- Section 11. **Grounds for Removal.** Any trustee may be removed from office within the tenure (as amended on April 19, 2022) for any of the following reasons:
1. Three (3) consecutive absences from regular and special meetings without valid reasons.
 2. Conviction for offenses punishable by imprisonment
 3. Non-QM status for three (3) consecutive months.
 4. Violation of ARDCI Microfinance, Incorporated rules and regulations.
 5. Loss of SLS Chairmanship.
 6. Vote of none confidence of majority of members.
 7. Commission of acts inimical to the organization, fellow members of the Board, personnel and members, specifically those that cause grave physical, mental and moral injury.
 8. Failure to maintain the minimum required number of thirty (30) SLS members during his/her incumbency.
 9. Those who have been elected as Independent Trustee, who becomes an officer, employee or consultant of ARDCI Microfinance, Incorporated or any of its subsidiaries.
 10. Convicted by final judgment of an offense punishable by imprisonment for a period exceeding six (6) years, for violating the Revised Corporation Code of the Philippines, and/or for violating Republic Act No. 8799, otherwise known as "The Securities Regulation Code". (As amended on April 19, 2022)
 11. Those who have been found administratively liable for any offense involving fraudulent acts punishable under Republic Act No. 11232, otherwise known as the Revised Corporate Code of the Philippines, Republic Act No. 8799, otherwise known as the Securities Regulation Code, and other laws, rules or regulations enforced or implemented by the Commission. (As amended on April 19, 2022)
 12. Those convicted or found administratively liable by a foreign court or equivalent foreign regulatory authority for acts, violations or misconduct similar to numbers 10 and 11. (As amended on April 19, 2022)
- Section 12. **Manner of Expulsion.** The procedure for expulsion of a member of the Board of Trustees shall be in accordance with the Corporation Code.
- Section 13. **Vacancy in the Board of Trustees.** Any vacancy occurring in the Board of Trustees other than by removal by the members or by expiration of term, may be filled by the vote of at least a majority of the remaining trustees, if still constituting a quorum; otherwise, said

vacancies must be filled by the members in a regular or special meeting called for that purpose: Provided, that the special meeting shall not be less than three (3) months prior to the regular meeting. A trustee so elected to fill a vacancy shall only serve the unexpired term of his predecessor in office.

Section 14. **Compensation.** The Board of Trustees shall not receive salaries, wages, or any form of compensation in the performance of their duties, except reasonable per diem.

ARTICLE IV Independent Trustee

Section 1. **Qualifications.** The following are the qualifications to be eligible for election as an Independent Trustee:

1. Must be an Independent Trustee as defined by the Securities Regulation Code, its Implementing Rules and Regulations or any other law administered by the Commission.
2. Must be at least 25 years of age at the time of appointment or election.
3. Must be at least a college graduate.
4. Must not or has not been an officer or employee of ARDCI Microfinance, Incorporated, its subsidiaries or affiliates or related interests during the past three (3) years counted from the date of his or her appointment or election.
5. Must not retained as professional adviser, consultant, agent or counsel of ARDCI Microfinance, Incorporated or any of its subsidiaries, either in his personal capacity or through his firm.
6. Must be independent of management and free from any business or other relationship, has not engaged and does not engage in any transaction with ARDCI Microfinance, Incorporated or any of its subsidiaries whether by himself or with other persons or through a firm of which he is a partner or a company of which he is a trustee, other than transactions which are conducted at arm's length and could not materially interfere with or influence the exercise of his judgment.
7. Must be fit and proper for the position and proven to possess integrity or probity, physical or mental fitness, competence, relevant education or financial literacy or training, diligence and knowledge or experience.
8. Must have no conflict of interest which is defined as a situation in which the private interests or personal considerations or such person's immediate family, or any organization or group in which such a person holds a position as a member, employee, officer, trustee, may be seen as competing with the interests or concerns of ARDCI Microfinance, Incorporated.

Section 2. **Term of Independent Trustees.** The corporation shall have two (2) Independent Trustees which shall serve for two (2) years. An independent trustee whose term has expired may be re-elected to serve for another two (2) years regardless of the length of the interim period between the expiration of his term and his re-election.

Section 3. **Manner of Election.** An Independent Trustee must first be nominated by any of the regular members of the Board of Trustees and after such nomination was accepted, said nominee must be voted upon by a majority vote of all the regular members of the Board of Trustees.

Section 4. **Voting Rights.** Each Independent Trustee shall have the right to be present in every meeting of the Board of Trustees and shall vote only on matters affecting the policies or general direction of the corporation, but not on administrative matters or that which relate to the operations of the corporation.

ARTICLE V
Corporate Officers
(As amended on June 17, 2021)

Section 1. **Officers.** The officers of ARDCI Microfinance, Incorporated shall be a Board Chairman and Vice-Chairman, who shall be elected from among the members of the Board of Trustees; a Corporate Secretary, who must be a resident and a citizen of the Philippines; a Treasurer, who may or may not be a Trustee; a President who must be a Trustee; and a Compliance Officer who may or may not be a Trustee. They shall be elected by a majority vote of all the members of the Board of Trustees at a meeting held immediately after their election at the annual meeting. Any two (2) or more positions may be held concurrently by the same person, except that no one shall act as President and Corporate Secretary or as President and Treasurer at the same time (As amended on June 17, 2021).

Section 2. **Duties.** The duties of the officers are as follows:

a. Board Chairman – The Board Chairman shall:

1. Call for and preside at all meetings of the Board and of the members.
2. Ensure that the Board carry out the following duties:
 - a. Appoint and evaluate the Executive Director.
 - b. Ensure the strategic framework for ARDCI Microfinance, Incorporated.
 - c. Preserve ARDCI Microfinance, Incorporated’s mission.
3. Sign key documents authorized by the Board.
4. Submit to the Board as soon as possible after the close of the calendar year, and to the members at its annual meeting, a complete report of the activities and operations of ARDCI Microfinance, Incorporated for the calendar year under his/her term.
5. The Chairman shall have no right to vote unless to break a resulting tie in the votes cast by the members of the Board of Trustees.

b. Vice-Chairman – The Vice-Chairman shall:

1. If qualified, exercise all powers and all duties of the Chairman during the absence or incapacity of the latter and shall perform duties that may be assigned by the Board.
2. Act as secretary in the absence of the regularly elected Secretary.
3. Ensure that the Board reviews the monthly and quarterly financial statements.

c. Corporate Secretary – The Corporate Secretary shall:

1. Give notices required by these By-Laws and keep the minutes of all meetings and all approved resolutions of the members and of the Board of Trustees in a book kept for the purpose.
2. Ensure that ARDCI Microfinance, Incorporated’s key documents are compliant and in order.
3. Perform such other duties and functions as the Board may from time to time assign him/her.

d. Treasurer – The Treasurer shall:

1. Ensure that the Board reviews and approves the annual budgets and reports from supervisory authorities.
2. Request for and disburse all benefits and/or allowances due for the members.
3. Perform such other duties and functions as may be assigned to him/her from time to time by the Board.
4. Post a bond in such amount as may be designated by the Board.

e. President – The President shall: (As amended on June 17, 2021)

1. Oversee the direction, supervision, management, and administrative control over all the operating departments subject to such limitations as may be set forth by the Board of Trustees.
2. Formulate and recommend, in coordination with the operating units and branches under his supervision, plans, programs and projects of the corporation.
3. Implement the duly approved plans and programs of the corporation.
4. Provide the Board of Trustees with monthly reports on the status of operations vis-à-vis its targets and recommend appropriate policy/ies and operational changes, if necessary.
5. Represent the corporation in any agreement, contract, business dealing, and in any other official business transactions as may be authorized by the Board.

f. Compliance Officer – The Compliance Officer shall:

- a. Ensures the Board, management and employees are in compliance with the rules and regulations of regulatory agencies, that corporation policies and procedures are being followed, and that behavior in the organization meets the corporation's Standards of Conduct.
- b. Researches, implements, and manages the areas of microfinancing regulations and laws, policies and procedures, consumer protection, and public interest laws.
- c. Advise, oversee, and train the staff/employees on compliance procedures.
- d. Can issue investigations related to possible non-compliance or ensure compliance is taking place.

Section 3. **Term of Office of Officers.** All officers of ARDCI Microfinance, Incorporated shall hold office for one (1) year and until their successors is duly elected and qualified.

Section 4. **Qualifications of President.** The President of ARDCI Microfinance, Incorporated shall be subject to the following qualifications: (As amended on June 17, 2021)

1. Must be a person of known probity and leadership and management capability.
2. Must be familiar with the business operation of the corporation and must have at least two (2) years higher management experience in the operations of a microfinance or related business.
3. Must not be engaged directly or indirectly in any activity similar to the business of the corporation.
4. Must not have been convicted of any administrative, civil, or criminal cases involving moral turpitude, gross negligence or grave misconduct in the performance of his duties.
5. Must not be addicted to any form of gambling or immoral or vicious habits.
6. Must have no pending administrative, civil or criminal case involving financial and/or property accountabilities at the time of his appointment.

Section 5. **Disqualification of Officers.** Any Officer may be disqualified for election or removed from office for any of the following reasons: (As amended on April 19, 2022)

1. Convicted by final judgment of an offense punishable by imprisonment for a period exceeding six (6) years, for violating the Revised Corporation Code of the Philippines, and/or for violating Republic Act No. 8799, otherwise known as "The Securities Regulation Code". (As amended on April 19, 2022)
2. Those who have been found administratively liable for any offense involving fraudulent acts punishable under Republic Act No. 11232, otherwise known as the Revised Corporate Code of the Philippines, Republic Act No. 8799, otherwise known as the Securities Regulation Code, and other laws, rules or regulations enforced or implemented by the Commission. (As amended on April 19, 2022)
3. Those convicted or found administratively liable by a foreign court or equivalent foreign regulatory authority for acts, violations or misconduct similar to numbers 2 and 3. (As amended on April 19, 2022)

ARTICLE VI Committees

- Section 1. **Corporate Governance Committee.** The Corporate Governance Committee shall assist the Board of Trustees in fulfilling its corporate governance responsibilities. It shall review and evaluate the qualifications of all persons nominated to the board as well as those nominated to other positions requiring appointment by the Board of Trustees. The committee shall consist of at least three (3) members of the board of trustees, two (2) of whom shall be Independent Trustees, including the Chairman.
- Section 2. **Audit Committee.** The Audit Committee is primarily tasked with assisting the Board in the performance of its oversight of the responsibility for the financial reporting process, system of internal control, audit process and monitoring of compliance. It will also have oversight authority over the company's internal and external auditors. It will accept and evaluate the reports of the external and internal auditors which in turn will prepare an independent report directly to the Board. The committee shall consist of at least three (3) members of the board of trustees, at least two (2) of whom shall be Independent Trustees, including the Chairman, who preferably have accounting and finance backgrounds.
- Section 3. **Risk Oversight Committee.** The Risk Oversight Committee shall be responsible for the development and oversight of the risk management program of ARDCI Microfinance, Incorporated. The committee shall consist of at least three (3) members of the board of trustees, at least one (1) of whom shall be Independent Trustee, including the Chairman. The members of the risk oversight committee shall possess a range of expertise as well as adequate knowledge of the institution's risk exposures to be able to develop appropriate strategies for preventing losses and minimizing the impact of losses when they occur.
- Section 4. **Creation of Committees.** The Board of Trustees may create standing and special committees as the need arise.
- Section 5. **Keeping of Records.** All Committees shall keep records of their proceedings and submit the same to the Board of Trustees at its next meeting or earlier, if required.

ARTICLE VII The Management

- Section 1. The management and supervision of the ARDCI Microfinance, Incorporated shall be handled by a management group of professionals to be headed by the Executive Director (As amended on June 17, 2021).

ARTICLE VIII Funds

- Section 1. **Funds.** The funds of the ARDCI Microfinance, Incorporated shall be derived from the membership fees, annual dues, income and interest there from, service fees, rental income, gifts, donations, grants and other similar bequests.
- Section 2. **Disbursements.** Withdrawal of the funds of ARDCI Microfinance, Incorporated, whether by check or any other instrument, shall be signed by the duly authorized signatories designated by the Board. All disbursement must conform to the approved Annual Work Plan and Budget.
- Section 3. **Calendar year.** The calendar year of ARDCI Microfinance, Incorporated shall be from January 1st to December 31st of each year.
- Section 4. **Administrative Expense.** The level of administrative expenses shall not exceed thirty percent (30%) of the total expenses for the taxable year.

ARTICLE IX Dissolution

Section 1. **Distribution.** In case of dissolution, the organization shall distribute its remaining assets as follows:

1. All liabilities and obligations shall be paid, satisfied, and discharged accordingly;
2. Assets held upon a condition requiring a return, transfer or conveyance, and which condition occurs by reason of the dissolution, shall be returned, transferred or conveyed accordingly;
3. Assets received and held subject to limitations permitting their use only for charitable, religious, benevolent, educational or similar purposes, but not held upon a condition requiring return, transfer or conveyance by reasons of the dissolution, shall be transferred or conveyed to one or more corporations, societies or organizations engaged in activities in the Philippines substantially similar to those of the organization in accordance with a plan of distribution, proposed and developed by the Board of Trustees and the Management Committee, and submitted, through a resolution, for adoption of at least 2/3 of membership with voting rights, in person or by proxy, in a special or regular meeting;
4. In any other case, and any other assets, these shall be distributed to such persons, societies, organizations or corporations, whether or not organized for profit, as specified in the plan of distribution.

ARTICLE X Corporate Seal

Section 1. **Form.** The corporate seal of ARDCI Microfinance, Incorporated shall be in such form and design as maybe determined by the Board and approved by the members.

ARTICLE XI Board Charter

Section 1. The Board of Trustees of ARDCI Microfinance, Incorporated undertakes and commits itself to formulate a Board Charter that shall lay out its roles, responsibilities, and accountabilities in carrying out its fiduciary duties to the corporation, particularly in relation to social, financial and governance goals;

Section 2. The Board undertakes to have the said Board Charter available within a year after the last regular election of the members of the Board of Trustees, which charter shall serve as guide to the trustees in the performance of their function.

ARTICLE XII Miscellaneous Provisions

Section 1. Matters not covered by the provisions of these Constitution and By-Laws shall be governed by the provisions of the Corporation Code of the Philippines and subsequent amendments thereto, as may be applicable to the organization.

Section 2. ARDCI Microfinance, Incorporated shall amend this Constitution and By-Laws upon receipt of notice or directive from the Microfinance NGO Regulatory Council to integrate other requirements which are deemed necessary to ensure the observance of financial standards, social performance requirements, governance benchmarks, and other rules and regulations.

ARTICLE XIII
Amendments to the By-Laws

Section 1. These By-Laws, or any provision thereof, maybe amended or repealed, or a new set of By-Laws may be adopted by a majority vote of the Board and majority vote of the members at any regular or special meeting duly held for the purpose.