

**AMENDED BY-LAWS
OF THE ARMED FORCES AND POLICE
MUTUAL BENEFIT ASSOCIATION, INCORPORATED**

Formerly

**ARMED FORCES OF THE PHILIPPINES
MUTUAL BENEFIT ASSOCIATION, INCORPORATED**

ARTICLE I. NAME AND DOMICILE

Section 1. The name of the Association shall be the “Armed Forces and Police Mutual Benefit Association, Incorporated” (AFPMBAI). **AS AMENDED ON 27 Feb 2015.**

Section 2. The principal office of the Association shall be at the AFPMBAI Building, Col Bonny Serrano corner Epifanio delos Santos Avenue, Quezon City.
AS AMENDED ON 27 Feb 2015.

ARTICLE II. PURPOSES OF THE ASSOCIATION

Section 1. The AFPMBAI is a non-stock, non-profit mutual benefit association. Its primary purposes are:
AS AMENDED ON 27 Feb 2015.

- a) To perform welfare services vital to the morale of its members;
AS AMENDED ON 27 Feb 2015.
- b) To foster brotherhood and mutual assistance among members;
- c) To encourage the habit of thrift and savings among the members;
- d) To provide immediate financial and material aid to members and their families in cases of loss, necessity, and distress;
- e) To promote the general welfare of the members and their families;
- f) To hold funds in trust for the members of the Association;
- g) To provide life, accident, housing and other similar services to members and their families;
- h) In general, to do such acts, and activities to help the members and to accomplish the purposes of the Association

ARTICLE III. MEMBERSHIP

Section 1. Members of the Armed Forces of the Philippines in the active service shall automatically become members of the Association, except those expressly disqualified under pertinent directives issued by the Chief of Staff, Armed Forces of the Philippines.

Section 2. Members of the Association are either regular or associate.

Section 3. Regular members are the following:

- a) Military personnel in the active service of the Armed Forces of the Philippines;
- b) Those in the active service of the Philippine National Police, Bureau of Fire Protection, Bureau of Jail Management and Penology and Philippine Coast Guard;
AS AMENDED ON 27 Feb 2015.
- c) Retired and honorably separated or discharged AFP, PNP, BFP, BJMP, and PCG personnel who signify their intention to continue regular membership thru conversion of their basic insurance into paid up insurance or whole life plans or secured optional insurance coverage of an amount at least equal to his basic coverage.
AS AMENDED ON 27 Feb 2015.

Section 4. The following shall be eligible for associate membership:

- a) Members of the Reserve Officer Training Corps (ROTC);
- b) Reservists of the AFP;
AS AMENDED ON 27 Feb 2015.
- c) Members of the Citizen Armed Forces Geographical Unit Active Auxiliary (CAFGUAA) and Special Civilian Armed Auxiliary (SCAA), Volunteer Fire Brigade, Bureau of Corrections, and other uniformed service units;
AS AMENDED ON 27 Feb 2015.
- d) Civilian employees of the Association, other AFP financial institutions, non-uniformed personnel of the PNP, and other organizations and agencies connected with the uniformed services and major services bureaus;
AS AMENDED ON 27 Feb 2015.
- e) Parents, dependents, wives, and children of regular members;
AS AMENDED ON 27 Feb 2015.
- f) Duly licensed private security guards;
- g) Cadets and graduates of the Philippine Merchant Marine Academy (PMMA), Philippine National Police Academy (PNPA), and Maritime Academy of Asia and the Pacific (MAAP); and
AS AMENDED ON 27 Feb 2015.
- h) Other persons performing activities related to military, police, public safety, security and defense service such as CAFGUAA, Special CAFGUAA, coast guard auxiliaries, as the AFPMBAI Board of Trustees may approve.
AS AMENDED ON 27 Feb 2015.

Section 5. The membership of a regular member shall be terminated upon his separation from the active service, except as provided in Section 3 (c).

“AS AMENDED ON 27 Feb 2015”.

Section 6. The membership of an associate member shall be terminated upon any of the following grounds:

- a) Failure to pay contribution for two consecutive months;
- b) Termination for cause from employment or dishonorable discharge from the service;
AS AMENDED ON 27 Feb 2015.

- c) Conviction by any Court of Justice for a crime involving moral turpitude or punishable by any of the afflictive penalties;
- d) Upon being found by the duly constituted authorities as a member of any subversive organization, or such organization which believes in or advocate the overthrow of the government by force or violence.

Section 7. Except for those in the active service, any member may terminate his membership by voluntary withdrawal in writing.

Section 8. The termination of membership under Section 5 and 6 hereof shall not affect the rights acquired under the optional insurance plan.

ARTICLE IV. RIGHTS OF MEMBERS

Section 1. Upon the death of a regular member, the Association shall pay to the designated beneficiaries or heirs the benefits payable in accordance with insurance coverage and SGTI benefits as provided by law and the SGTI contract.

Section 2. Upon the death of a regular member who has retired or honorably separated or discharged, the Association shall pay to his designated beneficiaries or heirs his paid up insurance and/or optional insurance benefits in accordance with their respective insurance policies.

Section 3. Upon the death of Associate members, the association shall pay to his designated beneficiaries or heirs the benefits payable according to their respective group insurance or optional insurance contracts.

Section 4. Members are entitled to dividend earnings out of the surplus profits of the Association in such amounts the Board of Trustees may allocate in accordance with their respective certificates.

Section 5. Membership certificates shall be issued to all members, specifying therein the benefits to which the members are entitled.

Section 6. The Associate members shall be entitled at their option for additional insurance coverage.

Section 7. Members of the Association shall be entitled to such additional benefits as maybe prescribed by the Board of Trustees.

ARTICLE V. OBLIGATION OF MEMBERS

Section 1. All members shall pay such membership fees, dues, assessments and contributions as the Board of Trustees may fix, except that associate members covered under a group insurance only shall not be subject to such fees.
AS AMENDED ON 27 Feb 2015.

Section 2. The Board of Trustees may, in the event its reserves as to all or any class of certificates becomes impaired, require that there shall be paid by the regular members to the association the amount of the member's equitable portion of such deficiency and if the payment be not made, it shall stand as an indebtedness against the membership certificates of the defaulting member and draw interest not to exceed five (5) percent compounded annually. (Required by Sec. 397, P.D. 612).

ARTICLE VI. GENERAL MEMBERSHIP MEETING

Section 1. Annual Meeting. Annual meetings of the members shall be held on the last Saturday of April of each year at the principal office of the Association or at a place in Quezon City that may be designated by the Board of Trustees.

AS AMENDED ON 27 Feb 2015.

Section 2. Special Meeting. Special meetings of the members may be called by resolution of the majority of the Board of Trustees or upon written request of at least twenty percent (20%) of those entitled to vote at the principal office of the Association at any time or at any place that may be designated in Quezon City.

AS AMENDED ON 27 Feb 2015.

Section 3. Notice of Meetings. Written notice of every Annual meeting of the members shall either be mailed to or otherwise delivered to each member at his latest address on record with the Association, or published in at least 2 newspapers of general circulation, not later than thirty (30) days prior to the date set for such meeting. Failure or defect in the notice shall not invalidate the annual or special meeting of the members or any of the proceedings thereat, if the business transacted at such meeting is within the powers of the Association and the majority of the members of the Association are present or represented at the meeting.

AS AMENDED ON 27 Feb 2015.

Section 4. Quorum. Members present in person or as proxies in any meeting of the Association for which due notices has been made is considered a quorum regardless of the number of members present.

AS AMENDED ON 27 Feb 2015.

Section 5. Voting. At all meetings, only regular members are entitled to one (1) vote each, irrespective of the number of his insurance policies or the amount of coverage; provided that the Chief of Staff, AFP shall be entitled to cast the total number of votes remaining after deducting the total votes of the members and the proxies present from the total registered number of votes of qualified members.

AS AMENDED ON 27 Feb 2015.

Section 6. Proxies. At all meetings, members may vote by proxy. The proxy shall be a member of the Association whose authority is executed in writing by the member on a printed proxy form to be determined by the incumbent Board of Trustees and the printed proxy form shall expire after the meeting for which it was given. Such proxies should be acknowledged before the Corporate Secretary of the Association or a notary public, and shall be filed with the Corporate Secretary before or at the time of the meeting. At any meeting, the presiding officer's decision on the authenticity of proxy voted shall be final.

AS AMENDED ON 27 Feb 2015.

Section 7. Order of Business. At any meeting of the members, the following order of business shall be observed:

AS AMENDED ON 27 Feb 2015.

- a) Opening of the meeting by the Chairman
- b) Proof of due notice of the meeting
- c) Proof of presence of quorum by the Corporate Secretary
- d) Approval of the minutes of the previous meeting
- e) Report of Officers of the Association
- f) Ratification of the Acts of the Board and Management
- g) Pending Business
- h) Election of Trustees (when proper)
- i) Adjournment

The above order of business may be altered or suspended temporarily should a majority of the quorum deem it convenient.

AS AMENDED ON 27 Feb 2015.

ARTICLE VII. FUNDS AND INCOME

Section 1. The funds and income of the Association shall consist of the following:

AS AMENDED ON 27 Feb 2015.

- a) Membership Fees, dues, assessments, and contributions from members;
- b) Investment earnings;
- c) Insurance Premiums;
- d) Donations;
- e) Trust and other funds;
- f) Other earnings and income.

Section 2. No part of the Association's net income shall inure to the benefit of any private individual.

AS AMENDED ON 27 Feb 2015.

Section 3. The funds of the Association shall be divided as follows:

- a) Death and relief fund which shall be used exclusively for paying benefits due the members; and
- b) General fund which shall be used for expenses of administration of the Association, and for other purposes.

AS AMENDED ON 27 Feb 2015.

Section 3. There shall be a separate accounting for each of the funds of the Association.

ARTICLE VIII. INVESTMENT ACTIVITIES

Section 1. The Association may invest its investible funds in such classes of investment, or securities, properties and such businesses in accordance with law, and the rules and regulations as issued by the Insurance Commission.

AS AMENDED ON 27 Feb 2015.

ARTICLE IX. BOARD OF TRUSTEES

Section 1. The Association shall be managed and its corporate powers exercised by a Board of Trustees which shall have the management and control of the affairs and properties of the Association. In addition to the general powers above provided, the Board of Trustees shall have the following specific powers:

- a) To formulate, and define policies and project necessary to carry out the purposes of the Association.
- b) To appoint and fix the salaries and emoluments of executive officials.
- c) To adopt an annual budget of expenditures for the operation of the Association and appropriate funds therefore.

- d) To authorize the investments of the funds of the Association in such a class of investment or securities, properties and business in accordance with law.
- e) To determine the organization of, and establish rules and regulations for the Association.
- f) To perform such acts and exercise such powers necessary to accomplish the purposes of the Association. **AS AMENDED ON 27 Feb 2015.**
- g) To delegate any of its powers in accordance with the law.
- h) To suspend business operations in time of war and/or major catastrophe.
- i) To prescribe the amount and mode of distribution or disposal of surplus. **AS AMENDED ON 27 Feb 2015.**

Section 2. The Board of Trustees shall consist of a maximum of fifteen (15) members to be appointed by the Chairman of the Board or elected during the General Membership Meeting. Three (3) of the members shall come from and represent the Major Service Commands, one (1) from the Joint Staff, GHQ, AFP; the AFP Sergeant Major; two (2) from the PNP; one (1) each from the BFP, BJMP, and PCG; the AFPMBAI President, and three (3) independent trustees, one (1) of whom shall be a retired member of the AFP. All members must possess the necessary academic education and experience in business and insurance administration or activities related to the business operations of the Association to qualify as members of the Board.
AS AMENDED ON 27 Feb 2015.

Section 3. The Chief of Staff, AFP shall be the Chairman of the Board of Trustees, and a Vice Chairman shall be appointed from among the members of the Board of Trustees.
AS AMENDED ON 27 Feb 2015.

Section 4. The Term of the members of the Board of Trustees shall be as follows:

- a) The Chairman, the President, and the AFP Sergeant Major shall have a term of office as Trustees coterminous with their positions; if the AFP Sergeant Major is represented as provided herein, the said representative shall serve only the term of the AFP Sergeant Major whom he represents;
- b) The tenure of all the other members of the Board shall be for a period of three (3) years unless sooner terminated, reappointed, or extended by the Chief of Staff of the AFP as Chairman of the Board, or retired from the active service, provided that the representation as provided above shall be maintained;
- c) In the case of Independent Trustees, their term of office shall be renewable every year, unless sooner terminated by the Chairman of the Board. No Independent Trustee shall serve for more than three (3) consecutive years.

AS AMENDED ON 27 Feb 2015.

Section 5. A majority of the Trustees shall constitute a quorum for the transaction of business, and every decision of the majority of a quorum duly assembled as a Board shall be valid as a corporate act.

Section 6. Any vacancies occurring in the Board of Trustees other than by removal of 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, in a regular or special meeting called for that purpose.
AS AMENDED ON 27 Feb 2015.

Section 7. All meetings of the Board of Trustees shall be held at the principal office of the Association, or at such other place designated with the consent of the majority of the Board.

Section 8. The Board shall hold regular meetings at least once a month at the office of the association or at such time and place as the Board of Trustees may fix.

Section 9. Special meetings of the Board of Trustees may be called at any time by the Chairman, or by the majority of the members of the Board of Trustees. Notice of such meetings thru any legal means stating the purpose thereof shall be sent to all the members at least three (3) days before such meetings.

Section 10. The members of the Board of Trustees shall not receive any compensation or remuneration except for reasonable allowances and per diems.
AS AMENDED ON 27 Feb 2015.

Section 11. The Board of Trustees may, at its discretion, create such committees as it may deem necessary, proper, and/or convenient for the interest of the Association, defining their powers and duties and delegating to them such powers as may lawfully be delegated.
AS AMENDED ON 27 Feb 2015.

Section 12. The Chairman or, in his absence, the Vice Chairman, shall preside over all meetings of the Board.
AS AMENDED ON 27 Feb 2015.

ARTICLE X. OFFICERS

Section 1. Officers – Unless otherwise provided by the Board of Trustees, the officers of the Association shall be a Chairman, a Vice Chairman, a President, a Secretary, and a Treasurer. The Association shall also have at the discretion of the Board of Trustees, such other executive officers as it shall deem necessary. Officers, other than the Chairman of the Board, Vice Chairman, and the President, need not be Trustees.
AS AMENDED ON 27 Feb 2015.

Section 2. Chairman of the Board – The Chairman shall preside over the meetings of the Board and the General Membership Meeting. In his absence, the Vice Chairman shall preside. In the absence of the Chairman and Vice Chairman, the Trustees present may elect from among themselves an Acting Chairman for that particular meeting.
AS AMENDED ON 27 Feb 2015.

Section 3. President – The President shall come from the regular members of the Association and shall have general supervision, direction and control of the business, and affairs of the Association. He shall have the general powers and duties of management usually vested in the office of the President of an Association.
AS AMENDED ON 27 Feb 2015.

- a) He shall call and preside meetings of the Association, and shall submit an annual report to the members and to the Chairman;
AS AMENDED ON 27 Feb 2015.
- b) He shall execute the resolutions of the Board, the Articles of Incorporation and By-Laws, and the policies issued by regulatory bodies;
AS AMENDED ON 27 Feb 2015.
- c) He shall exercise general supervision over all officers of the Association;

- d) He shall execute on behalf of the Association all contracts and agreement which the Association may enter into:
- e) He shall sign, endorse and deliver all checks, drafts, bills of exchange, promissory notes, and orders of payment of sums of money, unless such acts are specifically designated to another authorized signatory/ies as approved by the Board of Trustees.
AS AMENDED ON 27 Feb 2015.

Section 4. The Senior Vice Presidents shall be appointed by the Chairman of the Board duly endorsed by the members of the Board of Trustees. In case of the incapacity, illness, or death of the President, the Chairman shall appoint the next senior officer (a) until his successor is appointed, and whom so acting, he shall have all the powers of, and be subjected to the restrictions upon, the President. He shall have direct and active management of the business operations of the Association pursuant to these By-Laws, policies of the Board, instructions of the President, and according to his own directions, whenever and whatever the same is not expressly limited by such rules, policies or instructions.

AS AMENDED ON 27 Feb 2015.

Section 6. Corporate Secretary – The Secretary shall be elected by the Board. He shall be a resident of the Philippines, a member of the Bar, and may or may not be a member of the Association. He shall have the following duties and powers:

- a) He shall keep, or cause to be kept, a book of minutes of the principal office, of all meetings of Trustees and members with the time and place of such meetings, whether regular or special, and if special, how authorized, the notice given thereto, the name of those present or represented at member’s meetings, and the proceeding thereof.
- b) He shall keep or cause to be kept at the principal office, or at the Association’s Chapter or Branch Office, a member’s register, or a duplicate member’s register, showing the names and dates of certificates issued to them and such other pertinent information as may be required by law.
- c) He shall give, or cause to be given, notice of all the meetings of the members, and of the Board, required by law or by the Articles of Incorporation and By-Laws; and shall certify all minutes, records and proceedings of the Board, and of the members.
AS AMENDED ON 27 Feb 2015.
- d) He shall keep the seal of the Association in safe custody, turn-over to its successor all records in his custody.
- e) He shall exercise such power and perform such duties may be prescribed by the Board of Trustees or by the Insurance Commission, the Securities and Exchange Commission, and other regulatory bodies, including these By-Laws and the Governance Manual.
AS AMENDED ON 27 Feb 2015.

Section 7. Treasurer – The Treasurer shall be elected by the Board of Trustees. He may or may not be a member of the Association. He shall have the following powers and duties:

- a) He shall have the custody of, and be responsible for, all the funds, money and other securities of the Association;
- b) He shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the Association, including accounts of the assets, liabilities, receipts, disbursements, gains, losses, reserves and surplus.

- c) He shall deposit all moneys, funds, bonds, securities, and other valuables in the name and to the credit of the Association with such banks or other depositories as may be designated by the Board of Trustees.
- d) He shall receive and issue receipts for all moneys paid to the Association and disburse funds as may be authorized.
- e) He shall render an annual statement showing the financial condition of the Association on the 31st day of December each year and shall render an account of his transactions as Treasurer and of the financial condition of the Association at time, as may be deemed necessary.
- f) He shall put up a bond as may be required by the Board of Trustees; turn-over all records and properties under his custody to his successor; exercise such other powers and perform such other duties may be prescribed by the Board of Trustees in these rules and regulations.

ARTICLE XI. MISCELLANEOUS MATTERS

Section 1. The fiscal year of the Association shall commence on the first day of January of each calendar year and shall close on the 31st day of December of the same year.

Section 2. The corporate seal of the Association shall be in such form and design as may be prescribed or approved by the Board of Trustees.

Section 3. The Association may be dissolved in accordance with the law.

Section 4. Upon dissolution, all assets of the Association shall be disposed of in accordance with law. In the event of dissolution, the existing assets of the Association will be passed on to another accredited NGO or organization of similar thrusts or purpose/s or to the State for public use.

AS AMENDED ON 27 Feb 2015.

ARTICLE XII. AMENDMENTS, REPEAL, OR ADOPTION OF BY-LAWS

Section 1. Majority of the members and majority of the Board of Trustees may, at a meeting duly called for the purpose, amend or repeal any by-laws or adopt new by-laws, subject to the approval of the Securities and Exchange Commission.

AS AMENDED ON 27 Feb 2015.

ARTICLE XIII. RESCISSION CLAUSE

Section 1. These Amended By-Laws shall supersede the existing By-Laws of the Association.

Done in Quezon City, 27 February 2015.