

**BY-LAWS
OF
USWAG MUTUAL BENEFIT ASSOCIATION INC.**

**ARTICLE I
NAME**

Section 1. Name - The name of the association shall be:

USWAG MUTUAL BENEFIT ASSOCIATION (USWAG MBA) INC.

**ARTICLE II
OBJECTIVES**

Section 1. The purpose for which this association is formed is to advance the interests and promote the welfare of the poor in particular and the interests and welfare of the Philippines in general. Specifically the association shall seek:

- 1.) To extend financial assistance to its members, spouse, children and parents in the form of death benefits, total & permanent disability (TPD) benefits, sickness benefits, provident savings and loan redemption assistance;
- 2.) To ensure continued access to benefits and services by actively involving the members in the management of the association that will include implementation of policies and procedures geared toward sustainability and improved services;
- 3.) To ensure compliance with administrative and regulatory issuances, rulings and directives by professionalizing the association, management, research and development, and technical services operations.

**ARTICLE III
MEMBERSHIP**

Section 1. Qualifications for Membership:

- a.) Applicants must be at least eighteen (18) years old but not more than sixty (60) years old as of the enrollment date;
- b.) He/she must be an active member of USWAG Development Foundation Inc., (A Microfinance NGO) and other organized groups

recognized by the USWAG Mutual Benefit Association Inc., including their personnel and staff and that of the mutual benefit association;

- c.) Only those applicants who can meet all of the requirements stated in the prescribed application form shall be eligible for membership.

Section 2. Rights of Members. – A member shall have the following rights:

- a.) To exercise the right to vote on all matters relating to the affairs of the association;
- b.) To be eligible to any elective or appointive office of the association;
- c.) To participate in all deliberations/meetings of the association;
- d.) To avail of all the services of the association; and
- e.) To inspect and examine all the records or books of the association during business hours and to exercise other rights and privileges of membership.

Section 3. Duties and Responsibilities of Members. – Each member shall have the following duties and responsibilities:

- a.) To obey and comply with the by-laws, rules and regulations that may be promulgated by the association from time to time;
- b.) To attend all meetings that may be called by the Board of Trustees;
- c.) To pay membership dues and other assessments of the association;
- d.) To participate in the governance and to protect the funds of the association; and
- e.) Continuously give suggestions and comments on how to better run the association.

Section 4. Member in Good Standing - In order to remain in good standing, a member must not be in arrears in the payment of membership dues and other required fees.

Section 5. Certificate of Membership – USWAG Mutual Benefit Association Inc. shall issue membership certificates to members specifying the benefits or services to which such members are entitled. Such certificates, together with Articles of Incorporation of USWAG Mutual Benefit Association Inc. and its by-laws and all existing laws as may be

pertinent shall constitute the agreement, as of the date of its issuance, between the USWAG Mutual Benefit Association Inc. and its members.

The Certificate of Membership shall continue during the life of the member unless otherwise terminated under the conditions for termination of membership enumerated in the Implementing Rules and Regulations.

ARTICLE IV MEETINGS

- Section 1. Annual Meeting** – The annual meeting of the members shall be held every 15th day of May each year. The President shall render his/her annual report to the members regarding the activities of the association. The election of trustees shall also be held during this regular meeting.
- Section 2. Special Meetings** – Special meetings of the members shall be called as the need thereof arises, by the Board of Trustees or the President or upon petition of one-third (1/3) of the general membership.
- Section 3. Notice of Meeting** – Notices of the time and place of annual and special meetings of the members shall be given either personally or by special delivery mail, at least two (2) weeks before the date set for such meeting. The notice of every special meeting shall state briefly the purpose or purposes of the meeting.
- Section 4. Quorum** – In all regular or special meeting of members, at least fifty per centum (50%) of all members of good standing plus one (1) must be present or represented by proxy in order to constitute a quorum. A member may be represented by a proxy, through a written notice to the Secretary. The authorization shall be valid only on the date of the meeting indicated thereon. If no quorum is constituted, the meeting shall be adjourned until the requisite number of members shall be present.
- Section 5. Conduct of Meeting** – Meetings of members shall be presided over by the President, or in his/her absence the Vice President. The Secretary shall document the minutes of every meeting or in his/her absence the Chairman of the meeting shall appoint a secretary of the meeting.
- Section 6. Manner of Voting** – Members shall be entitled to one vote, and they may vote either in person or by proxy which shall be in writing and filed with the Secretary of the association before the scheduled meeting.
- Section 7.** The members of the Board shall not be entitled to salary nor to any form of financial remuneration.

ARTICLE V
BOARD OF TRUSTEES

Section 1. - Powers of Board of Trustees. - Unless otherwise provided by law, the corporate powers of USWAG Mutual Benefit Association Inc. shall be exercised, all business conducted, and all properties of the corporation controlled and held by the Board of Trustees. Without prejudice to such powers as may be granted by law, the Board of Trustees shall have the following powers:

- a.) From time to time, to promulgate rules and regulations consistent with these by-laws, and to review, revise or amend the same when it deems necessary for the management of the association's business and affairs;
- b.) To purchase, receive, take or otherwise acquire for and in the name of USWAG Mutual Benefit Association Inc. any and all properties, rights, or privileges, including securities and bonds of other corporations, for such consideration and upon such terms and conditions as the Board may deem proper or convenient;
- c.) To invest the funds of USWAG Mutual Benefit Association Inc. in other corporations or for purposes other than those for which the association was organized, subject to such approval of the members as may be required by law;
- d.) To incur indebtedness as the Board may deem necessary, to issue evidence of indebtedness including notes, deeds of trust, bonds, debentures, or securities, subject to such approval of the members as may be required by law, and/or pledge, mortgage, or otherwise encumber part of the properties of USWAG Mutual Benefit Association, Inc.;
- e.) To establish pension, retirement, bonus, or other types of incentives or compensation plans for the members, employees, including officers and Trustees of USWAG Mutual Benefit Association, Inc.;
- f.) To prosecute, maintain, defend, compromise, to submit arbitration or abandon any lawsuit in which USWAG Mutual Benefit Association Inc. or its officers are either plaintiffs or defendants in connection with the affairs of USWAG Mutual Benefit Association, Inc.;
- g.) To implement these by-laws and to act on any other matter not covered by these by-laws provided such matter does not require the approval or consent of the members of USWAG Mutual Benefit Association, Inc under the Corporation Code;

- h.) To appoint and dismiss any employee of USWAG Mutual Benefit Association Inc. whether regular, probationary, casual, or contractual, fix or adjust their salaries and all other personnel movements;
- i.) To delegate any of its powers or function to an executive committee, or to any standing or special committee, or to any officer of USWAG Mutual Benefit Association Inc.
- j.) To approve all contracts for construction and major repairs or maintenance work, and other contracts involving significant amounts; and
- k.) To approve all contracts involving the sale of non-current assets.

Section 2. Composition – The Board of Trustees of USWAG Mutual Benefit Association Inc. shall consist of seven (7) members namely: five (5) trustees shall be elected by the active members of USWAG Mutual Benefit Association, Inc.; and two (2) independent trustees, to be appointed by the Board of Trustees of USWAG Mutual Benefit Association Inc.

An independent trustee refers to a person other than an officer or employee of the association, or any other individual having any relationship with the association, which would interfere with the exercise of independent judgment in carrying out the responsibilities of a trustee. An independent trustee should be independent of management and free from any business or other relationship which could materially interfere with the exercise of his independent judgment. He/She shall provide advice to the Board on the most critical issues to deal with, assist the Board in achieving consensus on important issues, and work with the Management in prioritizing issues. He/She shall be entitled to be present in all its meetings and shall have the right to vote.

Section 3. Term of Office – The Board of Trustees shall be elected by majority of its members during its annual meeting and shall hold office for a term of two (2) years unless earlier removed for a cause, or have resigned or become incapacitated due to illness or death, and until their successors have been elected, qualified and have discharge the duties of the office provided, that during the election at the first annual meeting after registration, that the first three (3) trustees with the highest votes shall serve for two (2) years and the remaining two (2) elected trustees shall serve for one (1) year and are subject for re-election of at most two (2) terms.

The independent trustees shall be elected by the majority of the Board upon the nomination of the Governance Committee of the Board of Trustees. Notwithstanding the foregoing, for the duration that the Association is under a conservatorship of the Insurance Commissioner, the independent trustees shall be appointed by, and shall serve at the pleasure of the Insurance Commission.

The independent trustees are deemed members of USWAG Mutual Benefit Association Inc. and shall pay the usual membership dues. They have the same obligations, rights and privileges as regular members in good standing.

Section 4. Qualifications - The trustees to be elected must be of legal age recognized active member USWAG Mutual Benefit Association Inc. has consistently performed very satisfactorily for at least five (5) years in his/her membership and is willing to perform the functions of a trustee without any remuneration.

Section 5. Disqualifications of Trustees or Officers - No member convicted by final judgment of an offense punishable by imprisonment for a period exceeding six (6) years, or a violation of the Corporation Code of the Philippines committed within five (5) years prior to the date of his/her election or appointment, shall qualify as a Trustee or Officer. In addition, a member whose membership has been terminated due to various reasons, and/or has resigned from membership with the USWAG Mutual Benefit Association Inc. or any of its affiliates, shall also be disqualified from being a Trustee or Officer.

Section 6. Assumption of Duties - The elected members of the Board of Trustees shall serve beginning immediately following their election until their successors shall have been elected. Provided, that no member shall serve as member of the Board of Trustees for more than two (2) consecutive terms.

ARTICLE VI BOARD OF ADVISORS

Section 1. There shall be a Board of Advisors, the composition of which shall be determined by the Board of Trustees of the association by appointment and based on required policy-area competencies.

The Board of Advisors shall provide advice/guidance to the Board of Trustees and shall be invited to all meetings of the latter. However, they shall not be allowed to vote. They shall hold the position for one year and shall be confirmed by the Board of

Trustees on annual basis. They may resign from their post or may no longer be confirmed by the Board of Trustees upon its discretion.

ARTICLE VII GOVERNANCE COMMITTEE

Section 1. Composition – The Committee shall be composed of at least three (3) members of the board of trustees, one of whom must be independent board.

Section 2. Functions – The main responsibility of which is to focus on all matters connected with Board policies concerning Trustees nomination, training, performance evaluation and remuneration. The Governance Committee reviews and evaluates the qualifications of all persons nominated to the Board of Trustees and other appointments that require Board's approval, and assesses the effectiveness of the Board's processes and procedures in the election or replacement of trustees. It shall establish a formal and transparent procedure for developing all policies including remuneration of Trustees, officers, and management staff.

Section 3. Supervision – The Governance Committee is hereby vested sole authority to conduct and supervise the elections for the members of the Board of Trustees and other officers and proclaim the winners. The Committee shall likewise be the judge of all electoral contests, including questions on the qualification of candidates and its decision shall be final unless appealed to the Board of Trustees whose decision shall be final.

Section 4. Term – The members of the Governance Committee shall serve for two (2) years, or co-terminus with the Board of Trustees.

Section 5. Deputization – The Committee may deputize such personnel of the head office of the USWAG Mutual Benefit Association Inc. which it may deem necessary to enable it to perform its function.

Section 6. Remuneration – The members of the Committee shall not be entitled to salary nor to any form of financial remuneration.

Section 7. Disqualification – No member elected as a member of the Governance Committee shall be eligible for election for any position during his term of office even if he/she resigns or is removed from office for any reason.

**ARTICLE VIII
OVERSIGHT AND AUDIT COMMITTEE**

- Section 1. Composition** – The Committee shall be comprised of at least three (3) members of the board of trustees, one of whom must be independent board of good standing preferably with accounting and finance experiences.
- Section 2. Functions** – The Committee provides oversight of the institution's internal and external auditors.
- Section 3. Responsibilities** – The Committee shall be responsible for the setting-up of internal audit department, and the appointment of the internal auditors as well as of independent external auditors.
- Section 4. Monitoring** – The Committee shall monitor and evaluate the adequacy and effectiveness of the internal control system of the company.
- Section 5. Meetings** – The committee shall meet at least quarterly at the head office of USWAG Mutual Benefit Association, Inc.
- Section 6. Remuneration** – The members of the Committee shall not be entitled to salary nor to any form of financial remuneration.
- Section 7. Term** – The members of the Oversight and Audit Committee shall serve for two (2) years.

**ARTICLE IX
EXECUTIVE COMMITTEE**

- Section 1. Composition** – There shall be an Executive Committee of the Board of Trustees which shall consist of not less than three (3) and not more than five (5) to be chosen by the Board of Trustees from among themselves to monitor the operations and finances of USWAG Mutual Benefit Association, Inc.; to ensure that decisions of the Board are executed by management; and, where urgent circumstances require, to act for and in behalf of the Board on such matters subject to such guidelines and limitations duly approved by the Board. The concurrence of at least a majority of the members of the Executive Committee shall be necessary to make an Executive Committee decision valid. All business transactions by the Executive Committee shall be subject to confirmation by the Board of Trustees at its next scheduled meeting.
- Section 2. Ex-Officio Members** – The President, the Vice-President and the immediate past president, if still a member of the Board of Trustees, shall be ex-officio members of the Executive Committee. The other members of

the Executive Committee shall be chosen among its active board members.

Section 3. Meetings – The Executive Committee shall meet as frequently as necessary, but not more than twice a month. The other committees shall meet immediately before a regular and/or special meeting of the Board, except as may be otherwise authorized by the Board of Trustees.

The Board may create such other committee/s it may deem necessary for the smooth functioning of the association.

ARTICLE X BOARD MEETING

Section 1. Term Meetings – The initial organizational meeting of newly elected Board of Trustees shall be held immediately after the conclusion of the General Assembly at which they are elected; while the last meeting shall be held before the beginning of the General Assembly at which the new Board of Trustees is scheduled to be elected.

Section 2. Regular and Special Meetings – That the Board of Trustees shall meet regularly once every three (3) months at the main office of USWAG Mutual Benefit Association, Inc. unless otherwise previously agreed upon by the members of the Board of Trustees. A special or emergency meeting of the Board of Trustees may be called by the President or the Secretary upon request of a majority of the incumbent members of the Board and at least five (5) days notice to all of its members. Notice of any meeting of the Board shall be in writing.

Section 3. Journal – An official journal shall be kept to record the minutes of the meetings and all resolutions passed by the Board of Trustees which shall be consecutively numbered.

Section 4. Remuneration – The members of the Board shall not be entitled to salary nor to any form of financial remuneration except reasonable *per diem* for food and transportation necessary to attend the meetings of the Association.

Section 5. Quorum – A majority of the members of the Board actually in office shall constitute a quorum at meetings of the Board and no action of the Board shall be valid unless approved by majority of the incumbent members of the Board *en banc* at duly constituted meeting.

Section 6. Order of Business – The order of the business at regular/special meeting of the Board of Trustees shall be:
(a) Call to Order;

- (b) Roll Call;
- (c) Approval of Agenda
- (d) Approval of Minutes of meeting;
- (e) Unfinished business;
- (f) Board Committee Reports;
- (g) Management Reports on Finances and Operations;
- (h) New Business;
- (i) Other Matters; and
- (j) Adjournment.

ARTICLE XI OFFICERS

Section 1. Officers - The officers of USWAG Mutual Benefit Association Inc. shall be composed of a President, Vice-President, Secretary, and Treasurer. They shall be elected by the Board of Trustees from among themselves. The General Manager of USWAG Mutual Benefit Association, Inc shall be appointed by the Board of Trustees upon nomination by the President.

Section 2. Term of Office of Officers - The term of office of the officers shall be co-terminus with the Board which elected/appointed them, unless sooner removed from office by a majority vote of all the members of the Board of Trustees. In case an office becomes vacant due to incumbent Board's death, resignation, retirement, disqualification, incapacity or any other cause, the Board of Trustees, through a majority vote, may elect/appoint a successor, who shall hold office for the unexpired term; provided, further, that in case of the temporary absence of any officer for any reason, the Board may delegate the powers and duties of such officer to another qualified person.

Section 3. Removal from Office - The officers of USWAG Mutual Benefit Association Inc. may be removed from office for a cause, including nonfeasance or misfeasance of duties, violation of these by-laws, conduct detrimental to the interests of the association, incompetence and/or loss of confidence.

Section 4. Remuneration - The General Manager and other management staff shall receive such salary and/or benefits as may be fixed by the Board. The President, Vice-President, Secretary and Treasurer shall not be entitled to salary, nor to any form of financial remuneration.

ARTICLE XII FUNCTIONS AND POWERS OF OFFICERS

Section 1. President - The President shall be the Chairman of the Board of Trustees and shall exercise the following functions:

- a.) To preside in all meetings of the members of the association;
- b.) To execute all resolutions of the Board of Trustees;
- c.) To be charged with directing and overseeing the activities of the association;
- d.) To submit to the Board as soon as possible after the close of each fiscal year, and to the members of each annual meeting, a complete report of the activities and operations of the association for the fiscal year under her/his term;
- e.) To represent USWAG Mutual Benefit Association Inc. in all functions and proceedings;
- f.) To appoint, remove, suspend or discipline employees of USWAG Mutual Benefit Association, Inc. prescribe their duties and determine their salaries subject to confirmation by the Board of Trustees;
- g.) To execute in behalf of USWAG Mutual Benefit Association Inc. all contracts, agreements and other instruments affecting the interest of the association which may require approval of the Board of Trustees unless otherwise directed by the Board; and
- h.) To perform such other duties as are incident to his office or are entrusted to him by the Board of Trustees.

Section 2. Vice President – The Vice President, if qualified, shall exercise all powers and perform all duties of the President during the absence or incapacity of the latter and shall perform duties that maybe assigned by the Board of Trustees.

Section 3. Secretary – The Secretary shall have the following specific powers and duties:

- a.) To give all notices required by these by-laws and keep the minutes of all meetings of the members and of the Board of Trustees in a book kept for the purpose;
- b.) To keep the seal of the association and affix such seal to any paper or instrument requiring the same;
- c.) To have custody of the members' register and the correspondence files of the association;

- d.) To certify to such corporate acts, countersign corporate documents or certificates, and make reports or statements as may be required of him by law or by government rules and regulations; and
- e.) To perform all such other duties and work as the Board of Trustees may from time to time assign to her/him.

Section 4. Treasurer – The Treasurer shall have the following duties:

- a.) To keep full and accurate accounts/records of the receipts and disbursements of USWAG Mutual Benefit Association, Inc.;
- b.) To take and have custody of, and be responsible for, all the funds, securities, bonds, and certificates of titles of USWAG Mutual Benefit Association, Inc.;
- c.) To deposit in the name of USWAG Mutual Benefit Association, Inc. in such banks as may be designated from time to time by the Board of Trustees, all the money, funds, securities, bonds and similar valuables belonging to USWAG Mutual Benefit Association, Inc. which may come under his/her control;
- d.) To prepare an annual statement showing the financial condition of USWAG Mutual Benefit Association, Inc. and such other financial reports as the Board of Trustees or the President may from time to time require;
- e.) To prepare such financial reports, statements, certifications and other documents that may, from time to time, be required by government rules and regulations and to submit the same to the proper government agencies;
- f.) To pay all authorized expenses by check and effect petty cash payments in accordance with policies and procedures approved by the Board of Trustees;
- g.) To assist management in retrieval of all receivables of USWAG Mutual Benefit Association, Inc. from whoever they may be due;
- h.) To prepare and submit to the Board of Trustees for consideration and approval the annual budget on or before its regular meeting and furnish a copy of the approved annual budget;
- i.) To ensure that all expenditures are duly authorized and are for the best interest of USWAG Mutual Benefit Association, Inc.;

- j.) To post a bond in such amount as may be required by the Board of Trustees;
- k.) To suspend or withhold payments of accounts incurred not in accordance with the policies of the Board of Trustees or which are otherwise irregular or improperly authorized; and
- l.) To perform such other duties as may be assigned by the President and the Board of Trustees.

ARTICLE XIII

SUSPENSION, EXPULSION AND TERMINATION OF MEMBERSHIP

Suspension, expulsion and termination of membership shall be in accordance with the rules and regulations of the association.

Any member of the association may file charges against a member by filing a written complaint with the Secretary of the association. The Board of Trustees shall call a special meeting to consider the charges. The affirmative vote of majority of all the trustees shall be necessary to suspend a member; provided that where the penalty is expulsion, the affirmative vote of majority of all members of the association shall be necessary.

ARTICLE XIV

FUND

Section 1. Funds – The funds of the association shall be derived from members' contributions, premiums, investment income, special assessments of members, gifts and donations.

- a.) USWAG Mutual Benefit Association Inc. shall manage the funds according to the approved Implementing Rules and Regulations of Basic and Optional Plans.
- b.) The contributions and premiums may be adjusted by the Board of Trustees as may be necessary to maintain the funds of the USWAG Mutual Benefit Association Inc. at a level adequate to meet its benefit obligations or commitments under the plan.
- c.) A member shall be entitled to an Equity Value equivalent to at least fifty per centum (50%) of his/her total gross contributions paid, interest shall be credited to the Equity Value annually at a rate to be determined by the Board of Trustees but in no case less than the prevailing savings rate of the commercial banks. This Equity Value, inclusive of interest thereon, shall be made available to the member-insured at the end of every contract anniversary, provided that a

minimum equity value corresponding to on existing insurance coverage shall be maintained or upon termination of his/her membership from USWAG Mutual Benefit Association Inc. including death or total and permanent disability.

d.) The Board of Trustees shall set up each year sufficient reserves for the payment of claims and other obligations in accordance with actuarial procedures approved by the Insurance Commission. If the reserves become impaired, the Board of Trustees shall require all members to pay the USWAG Mutual Benefit Association Inc. the amount of the member's equitable proportion of such delinquency as ascertained by the Board of Trustees. If the payment is not made, it shall stand as an indebtedness against the members and draw interest not to exceed five per centum (5%) per annum compounded annually.

Section 2. Disbursements - Withdrawals from the funds of the association, whether by check or any other instrument shall be signed by at least two (2) persons designated by unanimous vote of the Board of Trustees.

Section 3. Calendar Year - The calendar year of the association shall be from January 1st to December 31st of each year.

ARTICLE XV CORPORATE SEAL

Section 1. Form. - The corporate seal of the association shall be in such form and design as may be determined by the Board.



ARTICLE XVI AMENDMENTS OF THE BY-LAWS

ACKNOWLEDGEMENT

REPUBLIC OF THE PHILIPPINES }
KALIBO, Aklan } S.S.

BEFORE ME, a Notary Public, for and in the presence of **KALIBO, AKLAN** this **MAY 06 2019** personally appeared the following persons:

Name	TIN/ID/Passport No.	Date & Place Issued
Pepito Inaudito	723-415-199	6/18/18 - Kalibo, Aklan
Lilibeth Retiro	738-293-857	2/15/19 - Kalibo, Aklan
Juliet Cristobal	263-629-440	03/20/02 - Kalibo, Aklan
Vivian C. Roldan	167-581-252	4/13/78 - Kalibo, Aklan
Juan Alberto Acavedo	918-080-268	4/14/00 - Kalibo, Aklan
Shirley Candelario	920-749-246	01/25/01 - Kalibo, Aklan
Rex Victor B. Consemينو	174-176-406	3/23/95 - Manila

known to me and all to me known to be the same persons who executed the foregoing By-Laws constituting of fifteen (15) pages, including this page where the acknowledgement is written, and they acknowledged to me that the same is their free act and voluntary deed.

WITNESS MY HAND AND SEAL on the day first above-written.

Doc. No. 317 :
Page No. 72 :
Book No. 11 :
Series of 2019 :

DANGAL Z. NADUA
Notary Public
NOTARY PUBLIC 2020
2/F Carpio Building, L. Paraiso St.,
5600 Kalibo, Aklan, Philippines
Notarial Commission No. 17 (2019-2020)
PTR No. 6415726; 01.03.2019
Issued on Kalibo, Aklan
IBP No. 1072152; 01.03.2019
Roll of Attorney; 5305; 04.26.2007
MCLE Compliance No. VM0001747; 03.03.2017

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

Adopted this 29th day of March 2019 in City of Kalihi, HI the affirmative vote of the undersigned members representing a majority of the members of the association in a special meeting duly held for the purpose.



PEPITO INAUDITO
TIN: 723-415-199



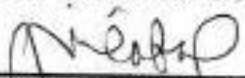
SHIRLEY CANDELARIO
TIN: 920-749-246



LILIBETH RETIRO
TIN: 738-293-857




JUAN ALBERTO ACEVEDO
TIN: 918-080-268



JULIET CRISTOBAL
TIN: 263-629-440



VIVIAN C. ROLDAN
TIN: 167-581-252



REX VICTOR B. CONSEMINO
TIN: