

ARTICLES OF INCORPORATION

**OF
PUBLIC SAFETY MUTUAL BENEFIT FUND (PSMBFI) INCORPORATED
KNOW ALL MEN BY THESE PRESENTS:**

That we, the undersigned, all of whom are Filipino citizens, of legal age and residents of the Philippines, have this day voluntarily associated ourselves together for the purpose of forming an association under the laws of the Republic of the Philippines.

AND WE HEREBY CERTIFY:

First - That the name of the association shall be PUBLIC SAFETY MUTUAL BENEFIT FUND (PSMBFI) INCORPORATED.

Second - That this fund is formed primarily:

1. To foster brotherhood and sisterhood and mutual assistance among members;
2. To encourage the habit of thrift and savings among members;
3. To provide financial material aid and comforts to members and their families in case of losses, disability, necessities, unemployment, old age as may be authorized by statutes or regulations prescribed by competent authority;
4. To provide retirement pension benefits to members and their families; and
5. In general to do such acts and things and to undertake such activities not other wise prohibited by law which are calculated to help members and necessary for the accomplishment of the purpose for which the fund has been organized.

Third - That the Fund shall have its principal office at Camp Crame, Quezon City, Metro Manila .

Fourth - That the term for which said Fund is to exist is fifty (50) years from and after the date of incorporation.

Fifth - That the names and residences of the incorporators of said fund are as follows:

Name	Nationality	Residence
Recaredo Sarmiento	Fil	Capistrano Cpd., Lucena City
Alfonso M Mora	Fil	Q-12 1st Lt Alfabeto St, Cp Crame
Leandro R Mendoza	Fil	3rd Fir, NHQ, Cp Crame
Santiago Alino	Fil	12 Dinar St., Camella Homes, Pamplona, Las Pinas
Guillermo T Domondon	Fil	7D Eisenhower Cond., Greenhills, SJ
Anselmo Avenido Jr	Fil	MOQ 15, Alfabeto St., Cp Crame
Romeo L Pena	Fil	Unit 431, Bldg #4, Guadalupe Bliss I, Guadalupe, Makati City
Fritz Quinanola	Fil	Sto Nino Village, Banilad, Cebu City

Hector R Marcelo	Fil	59 P Rosales St., Pateros, Metro Manila
Edgar C Galvante	Fil	11 Brazil St., Loyola Grand Villas, QC
Alfredo S Fabros	Fil	Condo 2, A-2, Cp Crame
Remegio Villanueva	Fil	Cp Vicente Lim, Canlubang, Laguna
Rodolfo Tudlasan	Fil	Cp Sergio Osmena, Cebu City
Modesto Alvarez	Fil	Cp Alagar, Cag De Oro City
Israel B Barrameda	Fil	Cp Bagong Diwa, Bicutan, Tagig, MM


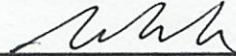
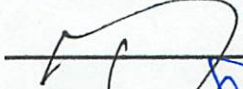

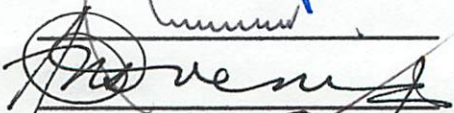
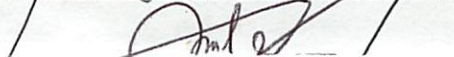

Sixth - That membership in this Fund shall be open to all.

Seventh - That the members of the Board of Directors of said Fund shall be fifteen (15) and that the names and residences of the directors who are to serve until their successors are elected and qualified as provided by the By-Laws are:

<u>Name</u>	<u>Residence</u>
Recaredo A Sarmiento	Capistrano Cpd., Lucena City
Alfonso M Mora	Q-12 1st Lt Alfabeto St., Cp Crame
Leandro R Mendoza	DCA, 3rd Flr NHQ, Cp Crame
Santiago Alino	12 Dinar St., Camella Homes, Pamplona, Las Pinas
Guillermo T Domondon	7D Eisenhower Cond., Greenhills, San Juan
Anselmo Avenido Jr	MOQ 14, Alfabeto St., Cp Crame
Romeo L Pena	Unit 431, Bldg #4, Guadalupe Bliss Guadalupe, Makati City
Fritz Quinanola	Sto Nino Village, Banilad, Cebu City
Hector R Marcelo	59 P Rosales St., Paredes, Metro Manila
Edgar C Galvante	11 Brazil St., Loyola Grand Villas, QC
Alfredo S Fabros	Condo 2, A-2, Cp Crame
Remegio Villanueva	Cp Vicente Lim, Canlubang, Laguna
Rodolfo Tudlasan	Cp Sergio Osmena, Cebu City
Modesto Alvarez	Cp Alagar, Cag de Oro City
Israel B Barrameda	Cp Bagong Diwa, Bicutan, Tagig

Eight - That **QUIRINO DELA TORRE** has been elected as Treasurer of the Fund to act as such until his/her successor is duly elected and qualified in accordance with the By-laws, and that as such Treasurer, he/she has been authorized to receive for the Fund and to receipt in its name for all subscriptions paid by said subscribers.

IN WITNESS WHEREOF, we have hereunder set our hands on this 15th day of October, 1997 at Camp Crame, Quezon City, Philippines.

<u>Name</u>	<u>Signature</u>
Recaredo A Sarmiento	
Alfonso M Mora	
Leandro R Mendoza	
Santiago Alino	
Guillermo T Domondon	
Anselmo Avenido Jr	
Romeo L Pena	

Fritz Quinanola

Hector R Marcelo

Edgar C Galvante

Alfredo S Fabros

Remigio Villanueva

Rodolfo Tudlasan

Modesto Alvarez

Israel B Barrameda

TIN E S C E S

BEFORE ME, a notary public, for and in Camp Crame, Quezon City, Philippines personally appeared this 15th day of October, 1997, the following persons with their corresponding residence certificates:

<u>Name</u>	<u>RC No.</u>	<u>Date</u>	<u>Place</u>
Recaredo Sarmiento	5171016	03/11/97	Q.C.
Alfonso M Mora	689658	03/06/97	SJ
Leandro R Mendoza	12853077	02/19/97	Paranaque
Santiago Alino	3740553	04/14/97	Las Pinas
Guillermo T Domondon	1937822	03/03/97	Mkt City
Anselmo Avenido Jr	16268512-E	10/23/97	Q.C.
Romeo L Pena	6226453	04/04/97	Mkt City
Fritz Quinanola	3276642	07/04/97	Cebu City
Hector R Marcelo	5112392	02/26/97	Pateros
Edgar C Galvante	5183529	02/02/97	QC
Alfredo S Fabros	704256	02/06/97	San Juan
Remigio Villanueva	7706919	03/25/97	Calamba
Rodolfo Tudlasan	13074600	01/24/97	Cebu City
Modesto Alvarez	346891	01/01/97	Cag de Oro City
Israel B Barrameda	8828570	06/10/97	Tagig, MM

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known to me and to me known to be the same persons who executed the foregoing Articles of Incorporation consisting of three (3) pages and acknowledged to me that the same is their own free and voluntary act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal at the place and on the date first above stated.

Doc. No. 199
 Page No. 30
 Book No. 307
 Series of 19 97

JOEL G. GORDOLA
 Notary Public
 Until December 31, 1997
 PTR No. 2121710; 1-2-97; Q.C.

BY-LAWS

ARTICLE I
NAME AND DOMICILE

Section 1. The name of this association shall be PUBLIC SAFETY MUTUAL BENEFIT FUND, INC. or (PSMBFI.) INCORPORATED.

Section 2. The principal office of the PSMBFI shall be at Camp Crame, Quezon City, Metro Manila.

ARTICLE II
AIMS OF THE PSMBFI

The primary aims of the PSMBFI shall be:

- a. To foster brotherhood and sisterhood and mutual assistance among members;
- b. To encourage the habit of thrift and savings among members;
- c. To provide financial material aid and comforts to members and their families in case of losses, disability, necessities, unemployment, retirement

In general to do such acts and things and to undertake such activities not otherwise prohibited by law which are calculated to help members and necessary for the accomplishment of the purpose for which the fund has been organized.

ARTICLE III
MEMBERSHIP

Members shall be by voluntary application to and approved by the Board of directors or by an official so delegated by the Board. Such membership shall be effective on the date on which payments of the initial membership fee and the first monthly contributions are paid to the fund.

ARTICLE IV
BENEFICIARIES

A member may designate any person or group of persons as his/her beneficiary(ies). In the absence of this designation, death benefits and other amounts accruing to his/her estate will be disposed of according to the rules of succession.

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ARTICLE V
OBLIGATIONS OF MEMBERS

Each member shall pay an initial membership fee of P 20.00 and the periodic contributions required for the benefits applied for.

ARTICLE VI
BENEFITS, RIGHTS AND PRIVILEGES

Section 1. To receive benefits subscribed for.

Section 2. All members will enjoy such privileges as the Board of directors will prescribe from time to time.

Section 3. Members shall have the right to vote in person or by proxy and be voted for as member of the Board of Directors.

Section 4. To participate in all meeting of the General Membership.

ARTICLE VII
TERMINATION OR SUSPENSION OF MEMBERSHIP

Section 1. The membership of a member shall be terminated upon any of the following grounds:

- a. Voluntary withdrawal; and
- b. Failure to pay contribution within the grace period.

Section 2. A members shall be expelled from the fund and his/her membership also terminated:

- a. Upon being found by the properly constituted authorities to be against the tenets of the established government; and
- b. Upon conviction by any court of justice for a crime involving moral turpitude.

ARTICLE VIII
GENERATION AND SEPARATION OF FUNDS

Section 1. The income and funds of the PSMBFI shall be from the following:

- a. Contribution from members;

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- b. Investment earnings; and
- c. Donations from members

Section 2. The funds of the PSMBFI shall be divided as follows:

a. Benefit fund which shall consist of reserves for retirement/separation death benefits, surplus and accretions thereof. This fund shall be used for retirement / separation / death benefits and other form of assistance to members; and

b. General fund which shall consist of not more than the equivalent of twenty per cent (20%) of the monthly contribution and five (5%) percent of the instalment repayment in welfare and provident activities. This fund will be used for the operational expenses of the PSMBFI.

ARTICLE IX INVESTMENT ACTIVITIES

Section 1. Funds may be invested to earn a rate of interest authorized by law in such forms as are authorized for mutual benefit associations.

Section 2. Other investment activities may be undertaken upon amendment of the license and applicable by-laws or upon approval by the Insurance Commissioner.

ARTICLE X BOARD OF DIRECTORS

Section 1. There shall be fifteen (15) members of the Board of Directors who shall be elected in the manner herein provided and who shall serve for one year from the date of their qualification and until their successors shall have been elected and qualified.

Section 2. The fifteen (15) directors herein provided shall be elected by the general membership at a regular meeting called for the purpose.

Section 3. Vacancies in the Board of Directors may be filled upon in a special election called for the purpose. The director so elected shall serve only for the unexpired portion of the term of the director be replaced.

Section 4. Directors of the PSMBFI unless regularly employed with a fixed compensation, shall be entitled to reasonable expense allowances or per diems as may be authorized by the Board of Directors.

Section 5. No member of the Board of Directors shall be employed in the PSMBFI during his/her tenure of office and until one year has elapsed from the end of his/her term.

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Section 6. Any elected member of the Board of Directors may be removed from office for cause by a vote of two-thirds of the general membership in a special meeting called for the purpose upon petition of a majority of the general membership.

ARTICLE XI
OFFICERS

Section 1. The Board of Directors shall elect the officers of the PSMBFI consisting of a President, a Vice-President and a Treasurer, whose powers and duties shall be as hereinafter provided and as Board of directors shall from time to time determine in conformity with the provisions of this by-laws. All officers shall be elected to their offices by a majority vote of the Board of Directors.

Section 2. The Secretary and the Auditor may not be member of the Board but shall be elected by the Board of Directors.

ARTICLE XII
POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. The Board of directors shall perform the following powers and duties:

- a. To supervise and control the business, property, funds and affairs of the PSMBFI and shall adopt such rules and regulations that are not inconsistent with law, with its charter, and this by-laws for the management of the business and the guidance of the officers, employees and members of the Fund;
- b. To approve all applications for membership;
- c. To approve all kinds of mutual assistance and benefits given to members.
- d. To approve all contracts, investments and indebtedness of the Fund;
- e. To enter into any obligation or contract essential to the purposes for which the Fund was organized;
- f. To determine the organization structure of the management staff, rules and regulations for the conduct of the Fund;
- g. To suspend, dismiss or penalize any official or employee for violations of rules duly promulgated, misconduct and for acts inimical to the interest of the Fund;
- h. To appoint and fix salaries and emoluments of officials and employees of the Fund;
- i. To engage the services of independent accountants, auditors and such others specially qualified persons to examine the books and/or help improve the operations and management of the Fund;

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j. To perform such other duties as the membership may from time to time authorize in accordance to laws; and

k. The members of the Board shall, in the discharge of their respective duties, be personally responsible, jointly and severally, for any transaction, act or omission made in violation of law, regulation, this by-laws, or the resolution of the general membership, except those who entered a protest at the time when such transaction, act or omission was acted upon.

ARTICLE XIII
POWERS AND DUTIES OF OFFICERS

Section 1. The President shall have the following power and duties:

- a. Acts as the CEO of the PSMBFI;
- b. To call and preside over all meetings of the PSMBFI;
- c. To execute all laws, rules and regulations, provisions of this by-laws and orders of the Chairperson of the Securities and Exchange Commission and the Insurance Commissioner, as well as policies and decisions of the Board of Directors;
- d. To sign all contracts entered into for and in behalf of the PSMBFI;
- e. To sign all papers, receipts, drafts, checks, payrolls and vouchers of the PSMBFI
- f. To sign all minutes of the PSMBFI in general and special meetings and to furnish the Chairperson, Securities and Exchange Commission copies thereof;
- g. To submit an annual report of his/her administration at the general meeting of the PSMBFI;
- h. Any of the above powers and duties may be delegated to any officer or official subject to the approval of the Board.

Section 2. The Vice-President, if qualified, shall assume office and functions of the President in case of incapacity, illness, absence or demise and in the latter case until a successor is elected. He shall also perform such duties as the President and/or Board of Directors may prescribe.

Section 3. The Secretary, who shall be a citizen and resident of the Philippines, shall have the following powers and duties:

- a. To keep all records of the PSMBFI, minutes and such other papers belonging to the PSMBFI;
- b. To see to it that all notices of meetings are duly sent and received by the Board of directors and members of the Fund;

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c. To certify and attest to all minutes, records and proceedings of the meetings of the PSMBFI; and

d. To keep records of the names of all members and requirements of membership, deeds and inventories of property.

Section 4. The powers and duties of the Treasurer are as follows:

a. To issue receipts for all money and property received by him;

b. To sign with the President all checks, drafts, vouchers and such other instruments covering the disbursement and withdrawal of funds of the PSMBFI;

c. To collect all fees, dues and issue receipts for the same from all members;

d. To deposit in a banking institution, designated by the Board of Directors, all funds belonging to the PSMBFI;

e. To keep books for the funds and property of the PSMBFI;

f. To make an inventory of the funds and property of the PSMBFI and render a report based thereon within the first week of January of every year; and

g. To put up bond as may be required by the Board of Directors.

Section 5. The Auditor, who shall be a citizen and resident of the Philippines, shall have the following powers and duties:

a. To audit the books and transactions of the PSMBFI; and

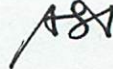

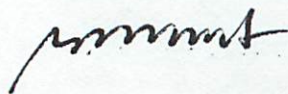
b. To examine the operation of the PSMBFI with the end in view of increasing efficiency, reducing operational costs, minimizing idle capital and maximizing profits.

ARTICLE XIV ELECTIONS

Section 1. The members of the Board of directors shall be elected by plurality vote by the general membership in an annual meeting which will be held at the principal office of the PSMBFI at Camp Crame, Quezon City, Metro Manila.

Section 2. Immediately after election, the elected directors shall organize by electing officers of the Fund. The elected directors and officers will assume office immediately.

Section 3. Voting shall be held by secret ballot on a one-member, one-vote basis either in person or by proxy, provided that votes of members not present or represented by proxy shall be cast by the Director-General of the Philippine National Police.



Section 4. Candidates for the Board of Directors shall be nominated on the floor.

Section 5. Not later than sixty (60) days before the election the Board of Directors shall create a Committee on Elections of three members who shall manage and supervise the conduct of election. No member of the Committee of Elections shall be eligible to run for the Board of Directors.

Section 6. The Committee on Elections shall promulgate rules and regulations to govern the conduct of elections. It shall, among other matters pertinent to the holding of election, pass on the qualifications of candidates, prepare and issue the ballots, supervise the elections and canvassing of votes and proclaim the results of the elections. Results of elections duly certified by the Committee on Elections shall be final.

Section 7. Sixty days before the election a notice shall be sent to all members of the PSMBFI. Immediately after the election, they will be notified of the results thereof.

ARTICLE XV
MEETINGS

Section 1. The General Membership shall hold its annual meeting at the head office of the Fund at Camp Crame, Quezon City in the last Saturday of November every year. At this meeting, the President shall render his/her annual report to the general membership.

Section 2. A majority of the general membership shall constitute a quorum to conduct business and affirmative assent of the majority of the general membership present at a meeting, at which a quorum is present, shall be necessary to pass a valid resolution, except when otherwise provided by Law.

ARTICLE XVI
AMENDMENTS

The foregoing by-laws may be amended or repealed by the affirmative vote of a majority of the members present at a regular or special meeting called for the purpose and by majority vote of the Board of Directors.

ARTICLE XVII

Section 1. The PSMBFI may be dissolved upon any of the following conditions:
a. By a resolution of the Board of Directors which the Fund was organized;

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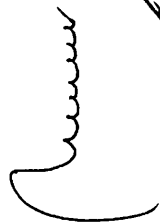
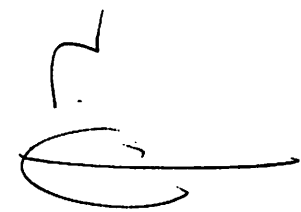
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ARTICLE XVII

1. The Corporation shall accumulate and maintain, out of the periodic dues collected from its members, sufficient reserves for the payment of claims or obligations for which it shall hold funds in securities satisfactory to the Commissioner consisting of bonds of the Government of the Philippines, or any of its political subdivisions and instrumentalities, or in such other good securities as may be approved by the Commissioner, Insurance Commission.

2. The Board of Directors shall, in the event that the reserve as to all or any class or certificates becomes impaired, may require that there shall be paid by the members the amount of the members equitable proportion of such deficiency as ascertained by the Board and, that if the payment is not made it shall stand as an indebtedness against the membership certificates of the defaulting members and shall draw interest not to exceed five per centum per annum compounded annually.

3. The reserve liability shall be established in accordance with actuarial procedures and shall be approved by the Commissioner, Insurance Commission.



ARTICLE VIII

Section 1. The PSMBFI may be dissolved upon any of the following grounds: a. By expiration of the term for which the Fund was organized; and b. By two-thirds (2/3) vote of the general membership in a meeting called for the purpose.

Section 2. Upon dissolution, all fixed assets of the fund shall be sold at public auction to the highest bidder, and the proceeds thereof and all other cash assets shall be distributed equitably among the remaining members.

Section 3. The Board of Directors may suspend business operations and death/disability/retirement/separation benefit coverage in time of war and major catastrophe.





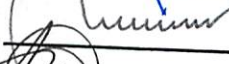
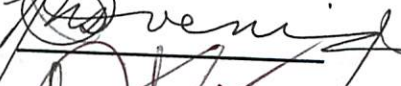

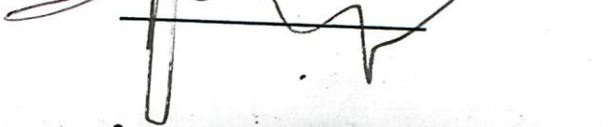
ARTICLE X
FISCAL YEAR

The Fiscal year of the PSMBFI is from the 1st of January and ends on the 31st of December every year.

ARTICLE X:X
CORPORATE SEAL

The PSMBFI shall adopt a corporate seal in the design approved by the Board of Director

IN WITNESS WHEREOF, we the undersigned incorporators and voting in favor of the adoption of said by-law, have hereunto subscribed this 15th day of October, 1997 at Camp Crame, Quezon City, Metro Manila.

<u>Name</u>	<u>Signature</u>
Recaredo A Sarmiento	
Alfonso M Mora	
Leandro R Mendoza	
Santiago Aliño	
Guillermo T Domondon	
Anselmo Avenido Jr	
Romeo L Pena	
Fritz Quinanola	

Hector R Marcelo

Edgar C Galvante

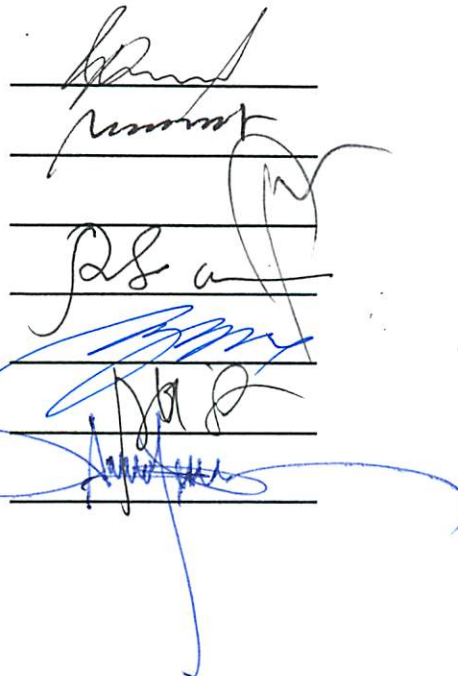
Alfredo S Fabros

Remegio Villanueva

Rodolfo Tudlasan

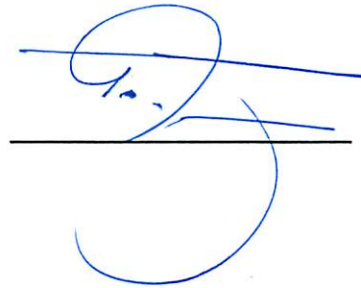
Modesto Alvarez

Israel B Barrameda



SIGNED IN THE PRESENCE OF





PUBLIC SAFETY MUTUAL BENEFIT FUND, INC. ^{ORGANIZED}
Camp Crame, Quezon City, Metro Manila

15 October 1997

THE CHAIRPERSON
Securities and Exchange Commission
EDSA, Greenhills, Mandaluyong
Metro Manila

Sir/Madam:

In connection with the registration of the Articles of Incorporation of the PUBLIC SAFETY MUTUAL BENEFIT FUND, ^(PSMBFI) INCORPORATED, I, the undersigned representative and on behalf of the organizers thereof, hereby manifest our willingness to change its corporate name in the event another person, firm or entity has acquired a prior right to the use of the same name or on deceptively or confusingly similar to it.

Very truly yours,


ANDRES G CARO
Secretary

(PSM BEI)

CORPORATED

PUBLIC SAFETY MUTUAL BENEFIT FUND, INC.
Camp Crame, Quezon City, Metro Manila

Date

KNOW ALL MEN BY THESE PRESENTS:

That I, **P/SUPT ANDRES G CARO**, Secretary of the **PUBLIC SAFETY MUTUAL BENEFIT FUND, INC.** a duly organized and existing under and by virtue of laws of the Republic of the Philippines, do hereby certify that at the regular meeting of the Board of Directors of said corporation held at Camp Crame, Quezon City on October 10, 1997 the following resolution was unanimously resolved.

"RESOLVED, that the corporation will comply with the Securities and Exchange Commission requirement to non-stock corporations dated May 24, 1963 in the case of its operation."

IN WITNESS WHEREOF, I have hereunto set my signature this 15th day of October 19 97 .


ANDRES G CARO
Secretary

REPUBLIC OF THE PHILIPPINES)
) S.S.

QUEZON CITY

SUBSCRIBED AND SWORN to me before this *NOV 04 1997* of October 1997, affiant exhibited to me his/her Res. Cert. No. 7116238 issued at San Pedro, Laguna on April 3, 1997.

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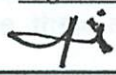
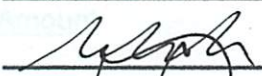
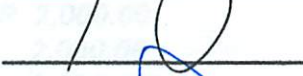

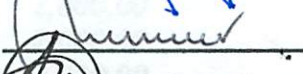
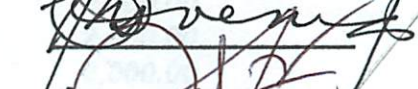



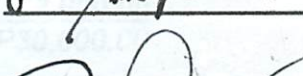
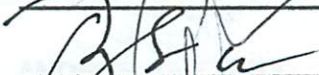



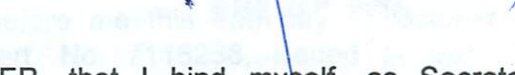
JOEL G. GORDOLA
Notary Public
Until December 31, 1997
PTR No. 2141740; 1-2-97; *GC*

(Vertical signature line)

15 October 1997

CERTIFICATION

THIS IS TO CERTIFY that as of this date, the following named individuals, whose signatures appear opposite their respective names, are members of the Public Safety Mutual Benefit Fund, Incorporated:

<u>Name</u>	<u>Signature</u>
Recaredo A Sarmiento	
Alfonso M Mora	
Leandro R Mendoza	
Santiago Alino	
Guillermo T Domondon	
Anselmo Avenido Jr	
Romeo L Pena	
Fritz Quinanola	
Hector Marcelo	
Edgar C Galvante	
Alfredo S Fabros	
Remigio Villanueva	
Rodolfo Tudlasan	
Modesto Alvarez	
Israel B Barrameda	

THIS IS TO CERTIFY, FURTHER, that I bind myself, as Secretary of the Corporation, to furnish the Securities and Exchange Commission, periodically, names of the additional membership with the corporation.


ANDRES G CARO
Secretary

(PSMBFI)

PUBLIC SAFETY MUTUAL BENEFIT FUND, INC. INCORPORATED
Camp Crame, Quezon City, Metro Manila

15 October 1997

LIST OF CONTRIBUTORS

THIS IS TO CERTIFY that as of this date the following named individuals had paid the amount as indicated opposite their respective names:

<u>Name</u>	<u>Amount</u>
Recaredo A Sarmiento	P 2,000.00
Alfonso M Mora	2,000.00
Leandro R Mendoza	2,000.00
Santiago Alino	2,000.00
Guillermo T Domondon	2,000.00
Anselmo Avenido Jr	2,000.00
Romeo L Pena	2,000.00
Fritz Quinanola	2,000.00
Hector R Marcelo	2,000.00
Edgar C Galvante	2,000.00
Alfredo S Fabros	2,000.00
Israel B Barrameda	2,000.00
Remigio Villanueva	2,000.00
Rodolfo Tudlasan	2,000.00
Modesto Alvarez	2,000.00
Israel B Barrameda	2,000.00
Total Amount	<u>P30,000.00</u>


ANDRES G CARO
Secretary

REPUBLIC OF THE PHILIPPINES)
QUEZON CITY) S.S.

SUBSCRIBED AND SWORN to before me this 15th day of **NOV 04 1997** October 1997, affiant exhibited to me his/her Res. Cert. No. 7116238, issued at San Pedro, Laguna on April 3, 1997.

Doc. No. 148
Page No. 30
Book No. 272
Series of 19 97

JOEL G. GORDOLA
Notary Public
Until December 31, 1997
PTR No. 2141740; 1-2-97; Q.C.

(PSMBFI)
PUBLIC SAFETY MUTUAL BENEFIT FUND, INC. (CORPORATED).
Camp Crame, Quezon City, Metro Manila

CONCEPT OF OPERATION

Membership: Voluntary, upon application to and approval the Board of Directors

Public Safety Mutual Benefit Fund, Inc. (PSMBFI), organized pursuant to Section 390 of the Insurance Code, offers life insurance and annuities coverage to prospective members.

Operational Expenses

PSMBFI will operate on the equivalent of not more than 20% of monthly contributions and on 5% of installment repayments in welfare and provident activities for operational expenses.

Legal Reserve for Annuities and Life Insurance of Coverage

Benefit fund which shall consist Life of reserves for retirement / separation/death benefits, surplus and accretions thereof. This fund shall be used for retirement / separation / death benefits and other form of assistance to members.

Reinsurance

In the early years, PSMBFI will be reinsured 100% with commercial life insurance companies. Thereafter it may retain 50% but not more than P20,000.00 on any one life.

Investment Portfolios

The legal reserves will be invested in marketable securities authorized by the Insurance Code and in welfare activities to its members on the security of the membership certificates (Sec. 398, Insurance Code).

With a minimum of P100.00 monthly contribution, payable for 20 years, a member will be entitled to*

Funds build-up for legal reserves will be computed, periodically, based on actual interest earned by the fund

<u>Year of Membership</u>	<u>Retirement Fund</u>	<u>Insurance Coverage</u>	<u>Total Benefits Upon Death</u>
---------------------------	------------------------	---------------------------	----------------------------------

1	P 540	P 30,000	P 30,540
---	-------	----------	----------

5	3,430	30,000	33,430
---	-------	--------	--------

Retirement fund benefit grows according to movement of interest rates prevailing in the market

10	9,476	30,000	39,476
----	-------	--------	--------

15	20,130	30,000	50,130
----	--------	--------	--------

Excesses in the legal reserve fund will be paid to members as dividends

20	38,907	30,000	68,907
----	--------	--------	--------

25	65,494	30,000	95,494
----	--------	--------	--------

30	112,348	30,000	142,348
----	---------	--------	---------

*Provided they are not yet over 60 years of age.

Respectfully submitted:



ANDRES G CARO
Secretary

REGISTRATION DATA SHEET
INCORPORATORS/TRUSTEES/OFFICERS INFORMATION
(FOR DOMESTIC NON-STOCK CORPORATIONS)

SEC NUMBER / / / / / / / / / / / / /

FILL-UP INSTRUCTIONS: Type or print legibly. Light-shaded boxes and codes are to be filled up by the SEC, including the SEC number.

COMPANY NAME
PUBLIC SAFETY MUTUAL BENEFIT FUND (PSMBF) INC.

INCORPORATORS / TRUSTEES / OFFICERS (Use additional sheets, if necessary. Refer to the back of this page for additional instructions.)

NO. OF TRUSTEES / DIRECTORS
65

NAME (Company Name, if company) (Last Name, First Name, MI, Maiden Surname, if person)	SEC NO / BIRTHDATE	NATL CODE	NATIONALITY	BOARD / TRUSTEE	INC'R	OFFR
Recaredo Sarmiento			Fil.	I	M	
Alfonso M Mora			Fil.	I	M	
Leandro R. Mendoza			Fil.	I	M	
Santiago Alino			Fil.	I	M	
Guillermo T. Domondon			Fil.	I	M	
Anselmo Avenido Jr.			Fil.	I	M	
Romeo L Bena			Fil.	I	M	
Fritz Quinanola			Fil.	I	M	
Hector R. Marcelo			Fil.	I	M	
Edgar C. Galvante			Fil.	I	M	
Alfredo S. Fabros			Fil.	I	M	
Rememio Villanueva			Fil.	I	M	
Rodolfo Tudlasan			Fil.	I	M	
Medesto Alvarez			Fil.	I	M	
Israel B. Parrameda			Fil.	I	M	

CERTIFIED CORRECT: [Signature]
(Signature over printed name)

POSITION: representative
DATE: 11-10-97

PROCESSING ATTORNEY:

DATA CONTROL CLERK:

DATA ENCODER:

DATE REVIEWED:

DATE REVIEWED:

DATE ENCODED:

INSTRUCTIONS FOR FILLING UP THE COLUMNS:

TRUSTEE INDICATOR -
C - CHAIRMAN
M - MEMBER
N - NEITHER

INCORPORATOR (INC'TO) INDICATOR -
I - INCORPORATOR
N - NOT APPLICABLE

OFFICER (OFFR) INDICATOR -
PRE - PRESIDENT
CEO - CHIEF EXEC. OFFICER
CFO - TREASURER
COO - CHIEF OPERATING OFFICER
COS - CORPORATE SECRETARY

LEG - LEGAL COUNSEL
AUD - EXTERNAL AUDITOR
GOV - GOVERNMENT REPRESENTATIVE
OTH - OTHERS
N - NONE

Handwritten: 11-10-97



Republic of the Philippines
Department of Finance
INSURANCE COMMISSION
1071 United Nations Avenue
Manila

Head Office:
P. O. Box 3589 Manila
FAX No. 522-14-34
Tel. Nos. 523-84-61 to 70
E-mail: oic@i-manila.com.ph

September 24, 1998

GEN. GUILLERMO T. DOMONDON (Ret.)
President
Public Safety Mutual Benefit Fund, Inc.
Camp Crame, Quezon City

PSMBFI
MESSAGE CENTER

RECEIVED

DATE: 9.24.98

TIME: 5:35 PM

RECEIVED BY: [Signature]

Sir:

We are returning herewith, duly approved, a specimen copy of the Certificate of Membership for your Mutual Benefit Equity plan.

It is understood that it has exactly the same text as the one that we found in order under our letter of September 21, 1998.

Very truly yours,

EDUARDO T. MALINIS
Insurance Commissioner

Sept 29, 1998

*To COO
Pls have this
reproduced ~~and~~ with
all the trimmings (printing)
so we can give the accredited members
instead*
[Signature]
9-28

Sept 29, 1998

*TD: Heads, BDP & Admin
Please implement the
President's instruction.*

[Signature]
COO/GM

PUBLIC SAFETY MUTUAL BENEFIT FUND, INC.
Camp Crame, Quezon City, Metro Manila



Your Welfare Is Our Concern.

Certificate Of Membership

No. [REDACTED]

This is to certify that pursuant to the pertinent provisions of the *Articles of Incorporation & By-Laws*, the PSMBFI has recognized

As a member *with rights to participate in the Insurance Benefits Plans as hereinafter detailed* and in consideration of the application thereof, and the payment of contributions as stipulated therein, the PSMBFI agrees that after receipt of proof of death, at its main office, or within a period of one month in case of survival/maturity, while this Certificate in force, it will pay the total amounts of benefits subscribed for, less any indebtedness thereon, subject to the Rules & Regulations of PSMBFI, printed at the back hereof, to HIMSELF / HERSELF or to the Beneficiaries.

IN WITNESS HEREOF, the PSMBFI has hereunto affixed its seal and caused this Certificate to be signed by the President at its Main Office in Camp Crame, Quezon City, Metro Manila, this _____ day of _____

Under the provision of Sec. 10 of the Insurance Code of 1978 (PD No. 1460)

September 24, 1998

Attested By:

Insurance Commissioner

P/DDG GUILLERMO T. DOMONDON (Ret.)

President

P/SUPT ANDRES G. CARO II
Corporate Secretary

IMPORTANT NOTICE: The Insurance Commission, with its Offices in Manila, is the government office in charge of the enforcement of laws relating to Mutual Benefit Associations and has supervision over such Associations. It is ready at all times to render assistance in settling any controversy between a Mutual Benefit Association and its Members relating to insurance matters.

RULES & REGULATIONS

A. PARTICIPATION

On a voluntary basis, participation is open to all members of the Philippine National Police who are Sixty (60) years old or below and of reasonably good health upon application to and approval of the Board of Directors or a PSMBFI Official so delegated by the Board.

B. SCHEDULE OF CONTRIBUTIONS & BENEFITS

Each participant shall pay his/her periodic contributions (*to the subscribed Insurance Benefit Plan as detailed hereafter*) to the Treasurer of PSMBFI at its main office or through a pre-arranged payroll deduction with the PNP. Benefits for increases in premiums will be determined according to the Schedule of Contribution & Benefits attached herewith. After 240 months of contributions, the participant's Cost of Insurance will be automatically charged to his/her accumulated equity value, and thereafter the amount of his/her monthly contribution – less amount designated for Expense – will be added to his/her Accumulated Equity Value.

C. GRACE PERIOD

Each participant who fails to remit his / her monthly contribution shall be given a grace period of Ninety (90) days within which to update his / her monthly contributions. If remittance of the same has not been made within the grace period, his / her Life Insurance coverage will be considered lapsed.

D. BENEFICIARIES

A participant may designate any person or group of persons as his/her Beneficiary/ies *who are not disqualified by law*. In the absence of such designation, Death Benefits & other policy benefits will be paid to his surviving spouse & legitimate children if married or if Single to his legal heirs as provided in the Civil Code.

Unless the designation is irrevocable, a participant may change his/her beneficiary(ies) originally designated by him/her or designate additional ones at any time while his/her plan is in force in the prescribed form and with the Association during his/her life time.

E. DIVIDENDS

Dividends realized from investment activities and mortality savings will be distributed pro-rata to all members and shall be credited to each individual account.

F. INCONTESTABILITY CLAUSE

The Life Insurance coverage will be incontestable after it has been in force for one year, except for non-payment of premium.

G. CLAIMS

Beneficiaries must document by Proof, Insured's Death, *Relationship of beneficiaries to the deceased*, accomplish Claim Forms & *where a Beneficiary is a Minor, an appointment as Guardian the property of said minor*.

MATURITY/RETIREMENT BENEFITS – at any time before maturity date a member should advise the Association of his/her intention to receive his/her equity in lump sum or equivalent and shall submit a Certificate of Membership with PSMBFI. The Association shall pay the benefits as soon as the requirements mentioned above are complied with and are found in order.

H. TERMINATION OF CERTIFICATE OF MEMBERSHIP

In the event of termination, the participant will be entitled to receive his / her accumulated equity value less any indebtedness.

INSURANCE BENEFITS PLANS

I. MUTUAL BENEFIT EQUITY PLAN

MUTUAL BENEFIT EQUITY PLAN DEFINED

The Mutual Benefit Equity Plan is an arrangement whereby a participant periodically contributes a certain amount to an Equity Fund for not more than 20 years (240 months) or up to age 65, whichever comes first, for a stated Benefit Plan. The Benefit Plan also entitles the participant to life insurance with accidental death benefit & dismemberment coverage. The Benefit Plan also entitles the participant to receive the accumulated equity value (which is his/her total net contributions plus dividends and interest earnings).

In the event of the participant's death his/her designated beneficiaries will be entitled to receive the Life Insurance Amount, indicated on the certificate, plus the participant's Accumulated Equity Value. The participant may elect to provide his proceeds to his beneficiaries as a lump sum or a monthly annuity.

Similarly, upon survival and maturity, or upon termination of membership, the participant will be entitled to receive his/her Accumulated Equity Value which he/she may elect to receive as a lump sum or a monthly annuity.

SCHEDULE OF BENEFITS & CONTRIBUTIONS

Equity Value Earning Rate: 12% per annum, contribution period: 20 years or up to 65 whichever comes first;

Life Insurance face amount: (for every P100.00 premium) P50,688.00 Life Insurance period: up to age (65).

Year of Participation	Annual Contribution	Expense Loading	Cost of Insurance	Death Benefit	Equity @ Year End	Total Death Benefit
1	1,200.00	240.00	432	50,688.00	540.00	51,228.00
2	1,200.00	240.00	432	50,688.00	1,145.00	51,833.00
3	1,200.00	240.00	432	50,688.00	1,822.00	52,510.00
4	1,200.00	240.00	432	50,688.00	2,581.00	53,269.00
5	1,200.00	240.00	432	50,688.00	3,431.00	54,119.00
6	1,200.00	240.00	432	50,688.00	4,382.00	55,070.00
7	1,200.00	240.00	432	50,688.00	5,448.00	56,136.00
8	1,200.00	240.00	432	50,688.00	6,642.00	57,330.00
9	1,200.00	240.00	432	50,688.00	7,979.00	58,667.00
10	1,200.00	240.00	432	50,688.00	9,476.00	60,164.00
11	1,200.00	240.00	432	50,688.00	11,153.00	61,841.00
12	1,200.00	240.00	432	50,688.00	13,032.00	63,720.00
13	1,200.00	240.00	432	50,688.00	15,136.00	65,824.00
14	1,200.00	240.00	432	50,688.00	17,492.00	68,180.00
15	1,200.00	240.00	432	50,688.00	20,131.00	70,819.00
16	1,200.00	240.00	432	50,688.00	23,087.00	73,775.00
17	1,200.00	240.00	432	50,688.00	26,397.00	77,085.00
18	1,200.00	240.00	432	50,688.00	30,105.00	80,793.00
19	1,200.00	240.00	432	50,688.00	34,257.00	84,945.00
20	1,200.00	240.00	432	50,688.00	38,908.00	89,596.00
21	0	0	*432	50,688.00	43,093.00	93,781.00
22	0	0	*432	50,688.00	47,781.00	98,469.00
23	0	0	*432	50,688.00	53,031.00	103,719.00
24	0	0	*432	50,688.00	58,911.00	109,599.00
25	0	0	*432	50,688.00	65,496.00	116,184.00
26	0	0	*432	50,688.00	72,872.00	123,560.00
27	0	0	*432	50,688.00	81,132.00	131,820.00
28	0	0	*432	50,688.00	90,384.00	141,072.00
29	0	0	*432	50,688.00	100,747.00	151,435.00
30	0	0	*432	50,688.00	112,353.00	163,041.00
31	0	0	*432	50,688.00	125,351.00	176,039.00
32	0	0	*432	50,688.00	139,909.00	190,597.00
33	0	0	*432	50,688.00	156,215.00	206,903.00
34	0	0	*432	50,688.00	174,476.00	225,164.00
35	0	0	*432	50,688.00	194,930.00	245,618.00

* Charged to Equity - After 240 months (20 years) of contributions, the participant's cost of Insurance will be automatically charged to his/her accumulated Equity Value, & thereafter, the Amount of his/her monthly contributions (less amount designated for expense) will be added to his/her accumulated Equity Value.

SCHEDULE OF BENEFITS ON ACCIDENTAL DEATH & DISABLEMENT

ACCIDENTAL DEATH AND DISABLEMENT BENEFITS

Upon receipt and approval by the Association of due proof that an insured member has sustained accidental bodily injuries effected directly and independently of all other causes and as a result of such injuries has sustained, within one hundred eighty (180) days after the date of accident, any of the losses enumerated in the Schedule of Losses set forth in these Benefit Provisions, the Association shall in addition to the amount of insurance payable under the "Benefit Provisions - Life Insurance", pay to such member, if living, otherwise to his beneficiary, the amount specified for such loss in the Schedule of Losses.

<u>Description Of Loss</u>	<u>Percentage Of Principal Sum</u>	<u>Description Of Loss</u>	<u>Percentage Of Principal Sum</u>
Loss of Life	100%	Loss of thumb	15%
Loss of two limbs	100%	Loss of index finger	10%
Loss of both hands, or all fingers and both thumbs	100%	Loss of middle finger	6%
Loss of both feet	100%	Loss of ring finger	5%
Total Loss of sight of both eyes	100%	Loss of little finger	4%
Injuries resulting in being permanently Bedridden	100%	Loss of metacarpals - 1 st and 2 nd (add'l)	3%
Any other injury causing permanent Total disablement	100%	3 rd , 4 th or 5 th (add'l)	2%
Loss of arm at or above elbow	70%	Loss of leg at or above knee	60%
Loss of arm between elbow and wrist	60%	Loss of leg below knee	50%
Loss of hand	50%	Loss of one foot	50%
Loss of four fingers and thumb of One hand	50%	Loss of toes - all of one foot	25%
Loss of four fingers	35%	Loss of big toe	5%
		Loss of any toe, other than big toe, each	1%
		Loss of one sight of one eye	50%
		Loss of hearing - both ears	50%
		Loss of hearing - one ear	25%

Total Permanent Loss of the use of a member shall be treated as loss of such member.

The loss of the first joint of the thumb or any other finger or any toe shall be considered as equal to the loss of one half of the thumb or finger or toe and the benefit shall be one half of the benefit above specified for the loss of the thumb or finger or toe.

The loss of one phalange of the thumb or of any other finger or any toe shall be treated as loss of the entire thumb or finger or toe.

Where, however, there is a loss of two or more parts of the hand, the percentage payable shall not be more than the loss of the whole hand.

Where the injury is not specified, the Company shall adopt a percentage of disablement which is not inconsistent with the provisions of this Schedule of Losses.

The aggregate of all percentages payable with respect to any one accident shall not exceed 100%.

II. SPECIAL GROUP TERM (SGTI)*

SUM INSURED: (IRRESPECTIVE OF RANK)

LIFE	P 15,000.00
ACCIDENTAL DEATH BENEFIT & DISABLEMENT	15,000.00
Monthly Premium:	P 12.00
[Contributed by the PNP (P 6.00)]	
[Paid by Member (P 6.00)]	

III. BASIC GROUP TERM (BGTI)*

	<u>Monthly Premium</u>	<u>Death Benefit</u>	<u>Accidental Death Benefit</u>	<u>Total Amount</u>
Supt to DirGen	P 60	P 80,000	P 80,000	P 160,000
Insp to CInsp	50	65,000	65,000	130,000
SPO1 to SPO4	30	40,000	40,000	80,000
PO1 to PO3	25	35,000	35,000	70,000

*Insured with the United Coconut Planters Life Insurance

COMMON EXCLUSIONS ON ACCIDENTAL DEATH & DISABLEMENT BENEFITS:

No payment shall be made under those Benefit Provisions for any loss resulting from or caused directly or indirectly wholly by:

1. Bodily or mental infirmity, hernia, ptomaines, or bacterial infection (except pyogenic infection which shall occur with and through an accidental cut or wound) or disease or sickness of any kind; or
2. Atomic explosions, nuclear fission, or radioactive gas; or
3. Accident occurring while or because the group-member is affected by alcohol or any drug; or
4. Self-destruction or any attempt threat while sane or insane.

Furthermore, all members on AWOL are not covered under Life & Accidental Death and Disablement Benefits.

--- Nothing Follows ---



Your Welfare Is Our Concern.

LESSONS WE CAN LEARN FROM THE GEESE

1. As each goose flops its wings, it creates an "UPLIFT" for the geese following. By flying in a "V" formation, the whole flock adds 71% more range than if each goose flew alone.

LESSON: People who share a common direction and a sense of community can get to their destination quicker and with less difficulty because they are travelling on the thrust of one another.

2. When the lead goose gets tired, it rotates back in formation, and another goose flies at the point position.

LESSON: It pays to take turns doing hard tasks and sharing leadership with people interdependent with each other.

3. The geese honk from behind to encourage those in front to keep up their speed.

LESSON: We need to make sure our honking from behind is an encouragement that will strengthen a diminishing resolve, not something less helpful.

4. When a goose gets sick, or wounded or shot down, two geese drop out of formation and follow the member which went down to provide protection. They stay with this member of the flock until it is able to fly again or dies. Then they catch up with the original flock and rejoin the formation.

LESSON: If we have as much sense as the Geese, we'll stand by each other.



REPUBLIC OF THE PHILIPPINES
OFFICE OF THE PRESIDENT
Securities and Exchange Commission

SEC Building EDSA, Greenhills
Mandaluyong, Metro Manila

December 9, 1997

PUBLIC SAFETY MUTUAL BENEFIT FUND (PSMBFI) INC.

Camp Crame, Quezon City,

Metro Manila

Gentlemen:

Enclosed herewith is the certificate of registration of the Articles of Incorporation and By-Laws of the above-named corporation, with the request that documentary stamps be affixed thereto and cancelled as of the date of registration.

In this connection, transmitted to you herewith is the self-explanatory ^{4th} ~~2nd~~ Indorsement of the Insurance Commission dated December 5, 1997, for your information, guidance and compliance.

Very truly yours,


VICTOR C. ESTRADA

Attorney V
Corporate & Partnership Division

Encl.: as stated