

**AMENDED BY-LAWS OF THE
BUREAU OF JAIL MANAGEMENT AND PENOLOGY
MUTUAL BENEFIT ASSOCIATION (BJMPMBAI), INCORPORATED**

ARTICLE 1 – NAME AND DOMICILE

- Section 1. The name of the Association shall be BUREAU OF JAIL MANAGEMENT AND PENOLOGY MUTUAL BENEFIT ASSOCIATION (BJMPMBAI), INCORPORATED, hereinafter referred to as the Association.
- Section 2. The principal office of the ASSOCIATION shall be in JUCO BUILDING, 144 MINDANAO AVENUE, BAHAY TORO, QUEZON CITY, METRO MANILA, or at any place in Metro Manila.

ARTICLE II – PURPOSES

- Section 1. The primary purpose of the Association is to provide for the payment of life, sickness, accident or other benefits exclusively to the members of the Association or their dependents as provided by Section 30 (C) of the Tax Code of 1997 and Section 390 of the Insurance Code.
- Section 2. Its secondary purposes are:
- (1) a. To foster brotherhood and mutual assistance among Members;
 - (2) b. To cultivate the habit of thrift, industry and savings among Members;
 - (3) c. 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) d. To provide retirement benefits to Members and their families;
 - (5) e. In general, to do such acts and things and to undertake such activities not otherwise prohibited by law that are calculated to help Members and necessary for the accomplishment of the aims and purposes for which the Association has been organized.

ARTICLE III – MEMBERSHIP

- Section 1. Membership shall be voluntary, and by application to and approval of the Board of Directors or its authorized representative.
- Section 2. Members of the Association are either regular or associate.
- Section 3. Regular Members are the following:
- a. BJMP Uniformed Personnel, active, honorably separated or retired;
 - b. BJMP Non-Uniformed Personnel active, honorably separated active, honorably separated or retired, and
 - c. BJMPMBAI officials, and employees, Active, honorably separated or retired.
- Section 4. Associate Members are the following:
- a. Uniformed and non-uniformed personnel of the DILG, its other Bureaus, and LGUs.
 - b. Individuals in other government agencies and non-government organizations involved in BJMP related activities;
 - c. Families and relatives of Regular and Associate Members.
- Section 5. Associate Members shall enjoy the benefits, rights and privileges embodied in Article VI of this By-Laws, except the right to vote and be voted upon as Members of the Board of Directors.

ARTICLE IV – OBLIGATIONS OF MEMBERS

Each Member shall pay a membership fee and other assessments as determined by the Board of Directors and the monthly contributions required for the subscribed benefits plans.

ARTICLE V – BENEFICIARIES

- Section 1. Each Member shall designate the person or group of persons as beneficiary/ies. In the absence of such designation, the beneficiary/ies listed in the Personnel File of the Member shall apply.
- Section 2. When the conditions in the preceding Section 1 do not apply, Member's death benefits and other amounts accruing to his/her estate will be disposed in accordance with the law of succession.

ARTICLE VI – BENEFITS, RIGHTS, AND PRIVILEGES OF REGULAR MEMBERS

- Section 1. To receive the benefits of the subscribed Benefits Plan.
- Section 2. To enjoy such privileges as the Board of Directors shall prescribe from time to time.
- Section 3. To vote in person or by proxy and be voted as members of the Board of Directors.
- Section 4. To participate in all meetings of the General Membership.
- Section 5. To receive shares of the revalued surplus. This is the result of the equitable valuation and distribution of asset of Association from withdrawing or terminating members, in addition to the funds in the members individual accounts.
- Section 6. To receive rebates from the surplus of the Association at yearend distributed pro rata based on the members individual accounts in the immediately preceeding yearend.

ARTICLE VII – TERMINATION AND EXPULSION OF MEMBERS

- Section 1. The membership of a Member shall be terminated upon any of the following:
- a. Voluntary withdrawal,
 - b. Failure to pay any contribution due within the extended time of the grace period;

- c. Separated for cause from service; and
- d. Death.

Section 2. A member shall be expelled from and his/her membership terminated in the Association.

- a. Upon being found, by the properly constituted authorities, to be working against the interest of the Association, and
- b. Upon conviction by any court of justice for a crime involving moral turpitude.

ARTICLE VIII- SOURCES AND SEPARATION OF FUNDS

Section 1. The funds and income of the Association shall come from the following sources:

- a. Contribution, fees and other assessments from members,
- b. Earnings from Investments,
- c. Savings,
- d. Donations, and
- e. Credit lines and loans from government and private financial institutions.

Section 2. The funds of the Association shall be divided into separate funds as follows:

- a. Benefits Fund consists of the Individual Equity or Savings Accounts of all Members. This Fund, also called Equity Fund, comes from the Contributions of Members net of Expense Load and Cost of Insurance. In addition, this Fund comes from the Earnings from Investments and Savings.
- b. Investments Fund is the Benefits Fund itself in its aggregate and cumulative amount. This Fund is invested mainly in loans to the Members. All idle amount of this Fund shall be invested in short-term interim placements in securities and

money market subject to the approval of the Board in order to optimize utilization of this Fund. The earnings of this Fund during the year are allocated at yearend to the members Individual Account.

- c. Insurance Fund consists of the Cost of insurance deducted from the contributions of Members. The Fund shall pay the reinsurance cost and claims for insurance benefits of those on an Association self-insured basis during the year. The insurance savings of this Fund during the year are included in the surplus of the Association that are allocated and distributed pro rata at yearend according to the members' Individual Accounts.
- d. General Fund which shall consist of the Board approved Expense Allowance deducted from the monthly contributions of Members and a percentage of the installment repayments in benefit, welfare and provident activities and all savings and Insurance Savings. The General Fund shall pay the operation and management services of the Association, including expenses incidental to the functions of the Board of Directors.

ARTICLE IX- INVESTMENTS

- Section 1. The Investments Fund shall be invested primarily as loans to members.
- Section 2. Amounts in the investment fund waiting to be granted as loans to members shall be invested only on an interim basis in short-term placements in Government and Money Market securities.
- Section 3. The Board of Directors, upon determining that the borrowing capacity of members can no longer absorb the amount available in the Investment Fund, may invest the unabsorbed portion in other areas after a thorough study has been made with the aid of licensed Fund Managers.

ARTICLE X – GENERAL MEMBERSHIP MEETINGS

- Section 1. The General Membership shall hold its annual meetings at the principal Office of the Association or at any place designated by the Board of Directors **ON THE FIRST SATURDAY** of July each year. At these meetings, **THE MEMBERS OF THE BOARD ARE ELECTED EVERY THREE YEARS** and the President shall render his/her annual report to the General Membership. (AS AMENDED ON JUNE 19, 2014.)
- Section 2. The presence of Members, in person or proxy, shall constitute a quorum to conduct business. The affirmative assent of the majority of the General Membership present at a meeting shall be necessary to pass a valid resolution, except when otherwise required by law.
- Section 3. Thirty (30) days before the meeting, the members shall be so informed of the meetings by posting a Notice thereof at the BJMP National headquarters, Regional and Provincial Offices.

ARTICLE XI – 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 Association or any other place designated by the Board in Metro Manila.
- Section 2. Immediately after election, the elected Directors shall organize by electing the officers of the Association. 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, or viva voce and all rights to include the right to vote of absent members are transferred to and shall be exercised by the presiding officer as provided by Section 90 of the Corporation Code.
- Section 4. Candidates for the members of the Board of Directors shall be nominated on the floor.

- Section 5. Before the election, the Board of Directors shall create a Committee on Election of three (3) members who shall manage the conduct of election. Members of the Committee on Election shall not be eligible as candidates to the Board of Directors.
- Section 6. The Committee on Election shall promulgate rules and regulations to govern the conduct of election. It shall, among other matters be pertinent to the holding of election, pass on the qualifications of candidates, prepare and issue the ballots, supervise the voting, canvass the votes, and proclaim the winning candidates. Result of the election duly certified by the Committee shall be final.

ARTICLE XII – 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 serve for **A TERM OF THREE (3) YEARS** from the date of their qualification and until their successors shall have been duly elected and qualified. (AS AMENDED ON JUNE 19, 2013.)
- Section 2. Any vacancy occurring in the Board of Directors other than by removal by the Members or expiration of term, may be filled by the vote of at least a majority of the remaining trustees if still constituting a quorum. Otherwise, said vacancy shall be filled by the Members in a special meeting called for the purpose. A Director shall hold office only for the unexpired term.
- Section 3. Directors shall receive no compensation as such.
- Section 4. Members of the Board of Directors maybe employed in the Association during their tenure of office for the positions that are mandated by the Corporation Code and for their expertise.
- Section 5. A Director may be removed from the 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 XIII – POWER AND DUTIES OF THE BOARD OF DIRECTORS

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

- a. Direct, supervise and control the business affairs, property and funds of the Association and shall adopt such rules and regulations that are not inconsistent with law and this By-Laws for the management and the guidance of the officers, employees and members of the Association;
- b. Approve/disapprove applications for membership;
- c. Approve all kinds of assistance to Members;
- d. Approve all contracts, investments and indebtedness of the Association.
- e. Enter into any obligation or contract essential to the attainment of the purpose for which the Association was organized;
- f. Determine from time to time the organizational structure of the management staff, rules and regulations for the operation of the Association;
- g. Suspend, dismiss, or penalize any officer or employee for violation of rules and regulation duly promulgated, misconduct and any other acts inimical to the interest of the Association;
- h. Appoint and fix salaries and other remunerations of the officers and employees of the Association;
- i. Engage the services of independent accountants, auditors and such other specially qualified persons in the management of the Association; and
- j. Perform such other duties as the General Membership may, from time to time authorize in accordance to laws.

Section 2. The members of the Board are, in the discharge of their respective duties, personally, jointly and severally responsible for any transaction, act or omission made in violation of law, rules and

regulation, this By-Law, or resolution of the General Membership, except those who entered a protest or contrary view and refused to be a signatory at the time when such transaction, act or omission was acted upon.

- Section 3. The Board of Directors is the policy determining body of the Association.
- Section 4. The Board may appoint from among its members an Executive Committee, composed of not less than three (3) but not more than five (5) members, which shall act accordingly as provided for in Section 35 of the Corporation Code.

ARTICLE XIV – OFFICERS OF THE ASSOCIATION

- Section 1. The Board of Directors shall elect the officers of the Association consisting of a Chairman, Vice- Chairman, President, an Executive Vice-President, Secretary, Auditor, 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.
- Section 2. The Executive Vice President, Secretary, Auditor and Treasurer may not be members of the Board.
- Section 3. The Board of Directors may elect other officers needed by the Association, who may not be members of the Board.

ARTICLE XV – POWERS, DUTIES AND COMPENSATION OF OFFICERS OF ASSOCIATION

- Section 1. The Chairman shall have the following powers and duties:
- a. Call and preside over meetings of the Board of Directors and the General Membership; and
 - b. Designate from among the qualified Directors the replacement of the President during the latter's absence, incapacity or demise, if the Executive Vice President is unqualified.
- Section 2. The Vice Chairman shall act as the Chairman in the absence of the latter.

Section 3. The President, who is a Director, and the Chief Executive Officer (CEO), shall have the following powers and duties:

- a. Execute all laws, rules and regulations, provisions of this By-Laws and orders of the Securities and Exchange Commission and the Insurance Commission, as well as policies and decisions of the Board of Directors;
- b. Sign all contracts entered into for and in behalf of the Association;
- c. Sign all papers, receipts, drafts, checks, payrolls and vouchers of the Association;
- d. Represent the Association in its relation to other corporations;
- e. Sign all minutes of the Association in general and special meetings and furnish the Securities and Exchange Commission copies thereof;
- f. Submit an annual report of management at the General Membership meetings of the Association; and
- g. Delegate any of the above powers and duties to other officers with the approval of the Board but the responsibility still remains with the President.

Section 4. The Executive Vice-President, who is also the Chief Operating Officer (COO) is the primary assistant to the President. If qualified, he shall assume the office and functions of the President in case of the latter's incapacity, illness, absence or demise until a successor is elected. He shall also perform such duties as the Board of Directors and the President may prescribe.

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

- a. Keep all records of the Association, minutes and such other papers;
- b. See to it that all notices of meetings are duly sent and received by the Board of Directors and Members of the Association;

- c. Certify and attest all minutes, records and proceedings of the meeting of the Association, and
- d. Keep record of the names of all Members, requirements of membership, deeds and inventories of property of the Association.

Section 6. The Treasurer who shall be a citizen and resident of the Philippines, shall have the following powers and duties:

- a. Issue receipts for all money and property received by him;
- b. Sign with the President and other officers designated by the Board of Directors, all checks, drafts, vouchers, and such other instruments covering the disbursement and withdrawal of funds of the Association;
- c. Collect all fees, dues and issue receipts for the same from all Members;
- d. Deposit in a banking institution, designated by the Board of Directors, all funds belonging to the Association;
- e. Keep books for the funds and property of the Association;
- f. Make an inventory of the funds and property of the Association and render a report based thereon within the first week of the January of every year; and
- g. Put a bond as may be required by the Board of Directors.

Section 7. The Auditor, who shall be a citizen and resident of the Philippines shall have the following powers and duties:

- a. Audit the books and transactions of the Association; and
- b. Examine the management of the Association with the end in view of increasing efficiency, reducing operational cost, minimizing idle capital and maximizing dividends for distribution to members.

Section 8. COMPENSATION

- a. Directors shall not receive any compensation, as such;
- b. Officers are allowed reasonable per diems, allowances and other remunerations which should be approved by the General Membership.

ARTICLE XVI – CORPORATE RESERVES AND LIABILITIES

Section 1. The Association 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 Insurance Commissioner consisting of bonds and other securities of the Government of the Philippines or any of its political subdivisions and instrumentalities.

Section 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 out of their accounts equitable proportions of such deficiency, as ascertained by the Board and the membership certificates of the defaulting members and shall draw interest not to exceed five percent (5%) per annum compounded annually.

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

ARTICLE XVII- MANAGEMENT OF THE ASSOCIATION

Section 1. The Board of Directors will manage all the business affairs of the Association with the assistance of a **PROFESSIONAL ACTUARY DULY ACCREDITED BY INSURANCE COMMISSION.** (AS AMENDED ON JUNE 19, 2013.)

Section 2. The Management should employ qualified retired Members and dependents of members. It should maintain utmost transparency and aim to maximize benefits that accrue to the Members in order to optimize the impact of these benefits on their work performance in attaining the missions of the Bureau of Jail Management and Penology.

ARTICLE XVIII – DISSOLUTION AND SUSPENSION OF OPERATIONS

- Section 1. The Association may be dissolved upon any of the following grounds:
- a. By expiration of term for which the Association was organized, unless extended, and
 - b. By two-thirds (2/3) votes of the General Membership called for the purpose.
- Section 2. Upon dissolution, the remaining assets of the Association shall be transferred to a similar institution or to the government.
- Section 3. The Board of Directors may suspend business operations of the Association in time of war and force majeure situations.

ARTICLE XIX AMENDMENTS

The provisions of the By-Laws may be amended in accordance with the provisions of the Corporation Code of the Philippines.

ARTICLE XX – FISCAL YEAR

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

ARTICLE XXI – CORPORATE SEAL

The Association shall adopt a corporate seal in the design approved by the Board of Directors.

IN WITNESS WHEREOF, we, the undersigned incorporators and voting in favor of the adoption of said By-Laws, have hereunto subscribed this 26th day of July 2001 at Quezon City, Metro Manila.

Name	Signature
CSUPT ARTURO W ALIT	SIGNED
SSUPT ANTONIO C CRUZ	SIGNED

SSUPT VICENTE E ENCARNACION	SIGNED
SSUPT JOSE A ESMERALDA	SIGNED
SSUPT LEONARDO S ENCINAS	SIGNED
SSUPT ARMANDO M LLAMASARES	SIGNED
SSUPT MERCEDES A FORONDA	SIGNED
SUPT GLORIA S NOCEDO	SIGNED
CINSP DORIS R DORIGO	SIGNED
CINSP ALLAN S IRAL	SIGNED
ATTY. RAMON A ABENIR, JR.	SIGNED
ATTY. AHMED S. NACPIL	SIGNED
MS. ESTER APIN ALDANA	SIGNED
MR. ARNEL S. ROMERO	SIGNED
SJO4 JUANITO B. SARMIENTO, JR.	SIGNED

SIGNED IN THE PRESENCE OF:

(SIGNED)
 FERMIN S. SALVADOR
 SINSP JMP
 Deputy Chief, Legal Service

(SIGNED)
 ATTY. REX D. DELARMENTE
 CINSP (Criminologist) JMP
 Chief, Morale & Welfare Branch

(SIGNED)
 ERLINDA S ESPEJO
 Notary Public
 My Commission expires on December 31, 2002
 PTR No. A-1984353
 Issued at Quezon City
 Issued on January 2, 2001

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