



REPUBLIC OF THE PHILIPPINES  
**SECURITIES AND EXCHANGE COMMISSION**  
Ground Floor, Secretariat Building, PICC  
City Of Pasay, Metro Manila

COMPANY REG. NO. AS95011178

**CERTIFICATE OF FILING  
OF  
AMENDED BY-LAWS**

KNOW ALL PERSONS BY THESE PRESENTS:

THIS IS TO CERTIFY that the Amended By-Laws of

**PHILAM EQUITABLE LIFE ASSURANCE COMPANY, INC.**

copy annexed, adopted on April 23, 2018 by majority vote of the Board of Directors and by the vote of the stockholders owning or representing at least two-thirds of the outstanding capital stock, and certified under oath by the Corporate Secretary and majority of the said Board was approved by the Commission on this date pursuant to the provisions of Section 48 of the Corporation Code of the Philippines Batas Pambansa Blg. 68, approved on May 1, 1980, and copies thereof are filed with the Commission.

IN WITNESS WHEREOF, I have set my hand and caused the seal of this Commission to be affixed to this Certificate at Pasay City, Metro Manila, Philippines, this 11th day of October, Twenty Eighteen.

**GERARDO F. DEL ROSARIO**  
Authorized Signatory, HRAD  
SO Order 874 Series of 2018

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AMENDED BY-LAWS  
OF

**PHILAM EQUITABLE LIFE ASSURANCE COMPANY, INC.**  
(formerly EQUITABLE PCI LIFE INSURANCE CORPORATION)

**ARTICLE I**  
**OFFICE**

The Office of the Corporation shall be located at the 17<sup>th</sup> Flr., Philam Life Head Office, Net Lima Building, 5<sup>th</sup> Avenue corner 26<sup>th</sup> St., Bonifacio Global City, Taguig. The Corporation may have such other offices either within or without the Philippines as the Board of Directors may designate or as the business of the Corporation may, from time to time, require. (As amended on 04 October 2007 and as further amended on 25 April 2016)

**ARTICLE II**  
**SEAL**

The Seal of Corporation shall consist of a design on which shall be inscribed the name “EQUITABLE PCI LIFE INSURANCE CORPORATION”. (As amended on March 23, 2001)

**ARTICLE III**  
**STOCKHOLDERS**

**SECTION 1 – Annual Meetings.** The Corporation shall hold an annual meeting of its stockholders for the election of its Directors and the transaction of general business, at the principal office of the Corporation on the (e.g. Last Monday of April) of each year at such time as the Board of Directors may direct. Such annual meetings shall be open for the transaction of any business within the powers of the Corporation without need of special notice of such business, except in cases in which special notice thereof is required by statute or by these By-Laws.

**SECTION 2 – Special meetings.** Special meetings of the stockholders may be called by any one of the following: (a) the President; (b) the Chairman of the Board of Directors; or (c) any three (3) Directors.

**SECTION 3 – Notice of Meetings.** Written notices or special meetings shall be given, by personal delivery, by mail postage prepaid to each stockholder not less than five (5) calendar days prior to the date set for each meeting, advising him of the day, hour and place of the meeting, and, in the case of special meetings, setting briefly the business proposed to be transacted thereat. In all cases where the registered address of the stockholders is outside the territorial limits of the Philippines, notice shall be sent by airmail.

Upon Notice being given in accordance with the provisions hereof, the failure of any stockholder to receive actual notice of any meeting shall not in a way, invalidate the meeting or proceedings thereat.

No failure or irregularity of notice of any regular or special meeting at which all of the stockholders are present or represented shall invalidate such meetings or any proceeding thereat, provided, that the business conducted thereat are within the powers of the Corporation.

**SECTION 4 – Quorum.** At all stockholders' meeting, except in those cases where the law or these By-Laws provides a greater number, stockholders representing a majority of the subscribed capital stock and entitled to vote, present in persons or by proxy, shall constitute a quorum for the transaction of business. In the absence of a quorum the stockholders present in person or by proxy may, by majority vote, adjourn the meeting from time to time without need of further notice until a quorum shall attend. At the reconvened meeting, any business that may have been transacted at the meeting so adjourned may be protected with.

**SECTION 5 – Conduct of Meeting.** At all meetings of the stockholders, the Chairman, or in his absence, the President, or in the absence of both, any temporary Chairman designated by the majority of the stockholders then present in person or by proxy, shall preside over the meeting. The Secretary of the Corporation, or in his absence, the person appointed by the Chairman shall act as secretary of the meeting of the stockholders.

**SECTION 6 – Manner of Voting.** No share shall be voted by any stockholder, if any installment payable thereon, in accordance with the terms of the subscription contract, or duly called thereon, shall be overdue, unpaid and declared delinquent.

Each stockholder shall, in every meeting of stockholders, be entitled to One (1) vote for each share of the capital stock held by him; Provided, however, that at the election of directors, each stockholder shall be entitled to cumulate his votes in the manner provided by law, such that the total number of votes to which a stockholder is entitled shall be equivalent to the number of the stockholders shares multiplied by the number of directors to elected.

The vote at lection of Directors shall be stock vote and by ballot. Upon demand of stockholders entitled to cast Twenty percent (20%) of the votes present in person or by proxy, the vote on any other question shall, likewise, by a stock vote and by ballot. Each ballot shall state the name of the stockholder voting and the number of shares owned by him and, in addition, if such ballots be cast by proxy, it shall also state the names of the principal and such proxy. With these exceptions, and the further exception of any question, the manner of resolving which is specially regulated by the statute, all voting shall be viva voce.

**SECTION 7 – Proxies.** At all meetings of stockholders, a stockholder may vote in person, or, by proxy executed in writing by the stockholder or his attorney-in-fact. Unless otherwise provided in the proxy, it shall be valid only for the meeting for which it has been presented to the Corporate Secretary.

All proxies must be submitted to the Corporate Secretary prior to the date set for the meeting. Such proxies filed with the Secretary may be revoked by the stockholder either in an instrument in writing duly presented or recorded with the Secretary prior to a scheduled meeting or by their personal presence at the meeting.

**SECTION 8 – Order of Business.** At the annual meeting, and, as far as practicable, and applicable, at all other meeting of stockholders, the order of business shall be:

1. Call to Order;
2. Calling of the Roll;
3. Proof of Notice of Meeting or waivers thereof;
4. Annual report of Officers and/or Committees;
5. Ratification of Minutes of previous meeting/s;
6. If an annual meeting, or a meeting called for that purpose, the election of Directors.
7. Unfinished business.
8. New business.
9. Adjournment.

**SECTION 9 – List of Stockholders.** A complete list of the stockholders entitled to vote at the ensuing meeting, with the mailing address of each according to the records of the Corporation and the number of voting shares held by each, shall be prepared by the Secretary and filed in the office where the meeting is to be held at least five (5) days before the meeting, and shall at all times during the usual hours of business, and during the whole time of said election, be open to the examination of any stockholders.

**SECTION 10 – Matters Requiring Stockholders' Consent.** The following matters may be undertaken by the Corporation only upon resolution of the Stockholders at a general meeting at which Stockholders representing at least Sixty-Six and two-thirds Percent (66 2/3%) of the issued and outstanding capital stock of the Corporation are present in person or by proxy and which resolution has been adopted by a special majority vote of at least Sixty-Six and two-thirds Percent (66 2/3%) of the issued and outstanding shares.

(1) **Matters Generally Requiring Special Majority.**

- (a) Any amendments to the Articles of Incorporation;
- (b) Any amendments to the By-laws;



- (c) Any extension of the term of the Corporation;
  - (d) Incurring, creating or increasing of bonded indebtedness;
  - (e) Any sales or other disposition of all or substantially all of the assets and properties of the Corporation;
  - (f) Any investments of funds of the Corporation other than as necessary and appropriate to further the primary corporate purpose of the Corporation;
  - (g) To effect or amend a plan of merger or consolidation;
  - (h) To voluntarily dissolve the Corporation;
  - (i) Any other matter requiring a Special Resolution of the Board of Directors in accordance with Section 11 of these By-laws.
- (2) **Appointment, Termination or Change of Auditor.** Any appointment, termination or change of the external auditor of the Corporation.
- (3) **Initial Public Offering.** Any decision by the Corporation to make an Initial Public Offering of its capital stock or to enter into agreements or make filing in respects of such an Initial Public Offering.

**SECTION 12 – Increase in Capital Stock; Pre-emptive Rights.** The authorized capital stock of the Corporation may be increased and additional shares issued in order to comply with the requirements of any Governmental Authority or applicable Law, or, as may, from time to time, be approved by the stockholders and a special resolution of the Board of Directors in accordance with the Articles of Incorporation and these By-Laws of the Corporation.

The stockholders shall, except as otherwise agreed upon by them, have the right to purchase any newly issued shares in proportion to their respective percentages of equity ownership and/or participation in the Corporation. In the event that the Corporation issued new shares, such shares shall first be offered to the existing stockholders registered in the books of the Corporation, in proportion to their respective percentages of equity ownership and/or participation in the Corporation on the date of the offer. If a stockholder declares that it does not wish to purchase all or any part of the shares offered, such stockholder shall give notification thereof in writing to the Corporation and other stockholders, within fifteen (15) calendar days after the date of offer, or, if no notification of acceptance of the shares offered is received within the aforementioned period, then those shares not purchased shall be offered at the same price per share to the other stockholders who have accepted their full entitlement under the first offer, in proportion to their respective equity ownership percentages on the date of the first offer of shares. If those stockholders do not accept the second offer within Fifteen (15) calendar days of the date of the second offer, then any shares not yet purchased may be offered to third persons as designated by a general meeting of stockholders, but in such event the price per share shall not

be lower than the price of the first offer to the existing stockholders, and such sale shall be effected after obtaining the necessary approval of appropriate Governmental and/or Regulatory Authorities.

If, pursuant to the foregoing paragraph, a stockholder gives notice in response to the first offer that it does not wish to purchase newly issued Shares, then at any time until the later of: (a) Fifteen (15) calendar days of the date of the first offer: and (a) Ten (10) calendar days of receipt of such notice, any other stockholder who has agreed to purchase newly issued shares offered may, by notice of the Corporation and the stockholders, rescind all or part of any agreed purchase of shares made pursuant to the first offer.

## **ARTICLE IV**

### **Board of Directors**

**SECTION 1 – Powers of the Board of Directors.** Unless otherwise conferred upon, reserved or delegated by the statute or the Articles of Incorporation or these By-laws to the stockholders or officers, the powers of the Corporation shall be exercised, all business shall be conducted and all property of the Corporation shall be held and managed by the Board of Directors.

Without limitation on the foregoing and subject to the other provisions of these By-laws, the Board of Directors shall decide upon annual budgets, Five (5) – year strategic plans, authority levels, investment criteria and strategies, acquisition and/or disposal of capital assets and human resources and personnel policies.

**SECTION 2 – Election and Term.** The Board of Directors shall be composed of **Five (5)** Directors elected during each manual meetings of stockholders. (As amended on 04 October 2007; and as further amended on 25 April 2016 and 23 April 2018).

The election of the members shall be for a term of One (1) year until their successors have been elected and qualified.

**SECTION 3 – Vacancies.** Any vacancy occurring in the Board of Directors other than by removal by the stockholders or by expiration of the director's term, shall be filled by majority vote of the stockholders or by expiration of the director's term, at regular or special meeting called for the purpose. The director to be so elected shall be nominated by the stockholder having the right to nominate the director previously occupying the position left, vacant. The director so elected to fill vacancy shall serve only for the unexpired term of his predecessor.

Any directorship to be filled by reason of an increase in the number of directors shall be filled only an election at a regular or special meeting of stockholders duly called for the purpose, or at the same meeting authorizing the increase of directors if so stated in the notice of the meeting.



The vacancy resulting from the removal of a director by the stockholders in the manner provided by law may be filled only by an election at the same meeting of stockholders without further notice or at any regular or special meeting of stockholders called for the purpose after giving notice as prescribed in these By-Laws.

**SECTION 4 – Regular Meetings.** Regular meetings of the Board of Directors shall be held quarterly each calendar year.

**SECTION 5 – Special Meetings.** Special meetings of the Board of Directors shall be held whenever called by the Chairman or the President, or by three of the Directors in writing.

**SECTION 6 – Place of Meetings.** The Board of Directors may hold its regular and special meetings at such place or places within the Philippines as it may, from time to time, determine. In the absence of any such determination such regular and special meetings of the Board of Directors, shall be held in Metro Manila, Philippines.

**SECTION 7 – Notice of Meetings.** No notice of regular meetings of the Board of Directors need be given. Notice of the place, date and hour of every special meeting shall be given to each Director at least one (1) calendar day before the meeting by delivering the same to him personally, or by sending the same to him by facsimile, telex or telegraph, or by leaving the same at his residence or usual place of business, or, in the alternative, by mailing it, postage prepared, and addressed to him last known mailing address, according to the records of the Corporation. It shall not be requisite to the validity of any meeting of the Board of Directors, that notice thereof shall have been given to any Director who attends, or to any Director who, in writing executed and filed with the records of the meeting either before or after the holding thereof, waives such notice. No notice of adjourned meetings of the Board of Directors need be given. All meetings of the Board of Directors shall be open for the transaction of any business within the powers of the Corporation to conduct without special notice of such business, except in cases in which special notice is required by law, by these By-laws, or by the call of such meeting.

**SECTION 8 – Quorum.** At all meetings of the Board of Directors at least majority of the incumbent members of the Directors shall constitute a quorum for the transaction of corporate business. In the absence of a quorum, the Directors present by majority vote may adjourn the meeting from time to time without notice either than by verbal announcement at the meeting until a quorum shall attend. At any such reconvened meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the meeting as originally notified.

**SECTION 9 – Compensation.** Any director who is nominated by a stockholder or who serves a full-time officer of the Corporation shall receive to compensation for serving on the Board of Directors; Provided, that the Director may be allowed a uniform per diem for their reasonable expenses incurred in attending Board of Directors' meetings. Nothing in this section shall, however, be construed to preclude a Director from serving the Corporation in any other capacity and receiving compensation therefor.

**SECTION 10 – Votes.** Each member of the Board of Directors, including the Chairman, shall have One (1) vote at meetings of the Board of Directors.

**SECTION 11 – Resolution of the Board of Directors.**

1. No resolution of the Board of Directors shall be validly passed unless assented to by an absolute majority of the Board of Directors consisting of at least **Three (3)** members of the Board of Directors present at the meeting (“Ordinary Resolution”). (as amended on 25 April 2016 and 23 April 2018)
2. The prior approval by the resolution of the Board of Directors with no less than **Three (3)** out of **Five (5)** members (“Absolute Majority”) of the Board of Directors voting in favor of such resolution (“Special Resolution”), shall be required in respect of the following matters (as amended on 25 April 2016 and 23 April 2018):
  - (a) **Acquisition/Investment.** The acquisition of an investment in any business or company, whether by purchase of shares or other assets, other than by the purchase of publicly traded shares quoted on a stock exchange, shall be subject to applicable provision of law, including but not limited to, Section 200 of the Insurance Code of the Philippines.
  - (b) **Merger/Consolidation.** Any merger or consolidation with another Person, and any sale, lease, transfer or other disposition of all or substantially all the Corporation’s Assets and Properties.
  - (c) **Sale of Assets.** Any Transfer of any of the Corporation’s Assets and Properties except: (i) assets disposed of in the ordinary course of business; and (ii) assets transferred because no longer used or useful in the conduct of the ongoing Business.
  - (d) **Borrowing.** Any borrowing from, or the entry or issuance of any contract to borrow from, any Person having maturity terms of more than One (1) year (“Long Term Borrowing”). This paragraph 2(d) of Section 11 shall not otherwise apply to borrowing or contracts to borrow by the Corporation with maturity terms of less than one (1) year in the ordinary course of business (“Short Term Borrowing”).
  - (e) **Stock.** Any increase of the authorized capital of the Corporation or the authorized number of Shares, or any issuance of additional Shares or of options, rights or warrants to purchase Shares, or any creation or issuance of securities of any other class of equity capital of the Corporation, or any alteration, modification, or other change in the rights, preferences, or privileges of shares.
  - (f) **Guarantees.** The issuance of any guarantee or indemnity on behalf of the Corporation, other than in the ordinary course of business.



- (g) **Mortgage or Encumbrance.** The creation of any mortgage, change, lien or encumbrance in or over the Corporation or any of its Assets and Properties other than in the ordinary course of business.
- (h) **Change of Business.** Any change in the nature of the business of the Corporation or in methods of operation that is outside the ordinary nature or course of business for an insurance company licensed in the same manner as the Corporation.
- (i) **Dissolution/Receivership/Bankruptcy Filing.** The dissolution, liquidation and winding up of the Corporation, or the commencement of a voluntary case or other proceeding seeking liquidation, reorganization, suspension of payments or other relief with respect to the Corporation or its debts under any bankruptcy, insolvency or similar Law now or hereafter in effect or seeking the appointment of trustee, receiver, liquidate, custodian or other similar official of it or a significant portion of its Assets and Properties.
- (j) **Extension of Term.** Any extension of the term of existence of the Corporation.
- (k) **Affiliate Contracts.** The entry into any Contract or transaction including, but not limited to, the purchase, sale or exchange of property or the rendering of any service with a stockholder or any Affiliate to the reasonable requirements of the Business and upon fair and reasonable terms no less favorable to the Corporation than would obtain in a comparable arm's length transaction with a person not an Affiliate of a Stockholder; or (ii) as expressly provided for elsewhere in this Agreement.

## **ARTICLE V**

### **MANAGEMENT COMMITTEE**

The Board of Directors may appoint a Management Committee which shall be composed of so many members as may be determined by the Board of Directors subject to the minimum requirements provided for by law.

The Management Committee may act, by majority vote of all its members, on such specific matters within the competence of, and as may be delegated by the Board of Directors.

During every meeting of the Board of Directors, the Management Committee shall report in summary form all matters acted upon it, all of which matters shall be considered ratified by the Board unless otherwise expressly revoked.

## **ARTICLE VI**

### **OFFICERS**

**SECTION 1 – OFFICERS.** The Corporation shall have the following principal officers who shall be elected by majority vote of the Board of Directors:

1. the Chairman of the Board of Directors;
2. the President/Chief Executive Officer;
3. the Treasurer;
4. the Secretary;

The Chairman of the Board of Directors and the President shall be directors.

The Corporation shall also have a Chief Marketing Officer and a Chief Financial Officer. The Corporation shall also have such other officers (“Subordinate Officers”) as the Board of Directors may from time to time designate. The (a) President/Chief Executive Officer, (b) the Chairman and (c) the Treasurer shall have authority superior to any other officers with respect to their respective duties as set forth in these By-Laws.

The Board of Directors may prescribe the powers and duties, and fix the compensation of the officers, agents and employees of the Corporation where such powers and duties are not prescribed by these By-Laws. Each officer shall hold office and until his successor shall have been chosen or qualified, or until he shall have resigned or shall have been removed. Any vacancy may be filled for the unexpired portion of the term by majority vote of the Board of Directors at any regular or special meeting.

**SECTION 2 – Chairman.** The Chairman of the Board of Directors, when present, shall preside at all meetings of Stockholders and Directors, and shall be an ex-officio member of all committees of the Board of Directors. He may at his own discretion call meetings of Stockholders, as provided in Section 2, Article III of these By-Laws, and shall perform such other duties as may be assigned to him by the Board of Directors.

The Chairman shall have the right to cast a single vote at meeting of the Board of Directors. The Chairman shall not, however, have the power to make a second or “casting” vote, or, to take similar measures to resolve deadlocks at meetings either of the Board of Directors or of the Stockholders of the Corporation.

**SECTION 2-A- Vice-Chairman.** The Vice-Chairman of the Board of Directors shall preside at all meetings of the stockholders and the Board of Directors in the absence of the Chairman.



**SECTION 3 – President.** The President shall be the Chief Executive Officer of the Corporation and shall exercise general supervision and administration over the day-to-day business affairs of the Corporation. He shall exercise the following functions:

1. To preside at all meetings of the stockholders and the Board of Directors, in the absence of the Chairman and the Vice-Chairman of the Board of Directors;
2. To initiate and develop corporate objectives and policies and formulate long-range plans and programs for the approval of the Board of Directors, including those for executive training, development and compensation;
3. To have general supervision and management of the business affairs of the corporation;
4. To ensure that the administrative and operational policies of the corporation are carried out under his supervision and control;
5. To oversee the preparation of the budgets and the statements of account of the Corporation;
6. To prepare such statements and reports of the Corporation as maybe required of him by law;
7. To represent the Corporation at all functions and proceedings;
8. To execute on behalf of the Corporation all contracts, agreements and other instruments affecting the interest of the Corporation which require the approval of the Board of Directors, except as otherwise directed by the Board of Directors;
9. To make reports to the Board of Directors and Stockholders;
10. To sign certificates of stock;
11. To perform such other duties as are incident to his office are entrusted to him by the Board of Directors.

The President may, with the approval of the Board of Directors by special resolution, assign the exercise or performance of the foregoing powers, duties and functions to any other officer(s), subject always to his supervision and control.

**SECTION 4 – Treasurer.** The treasurer of the Corporation shall be the custodian of all its corporate funds and securities and property. The treasurer shall have the following duties:

1. To keep full and accurate accounts of receipts and disbursements in the books of the corporation;
2. To have custody of, and be responsible for, all the funds, securities and bonds of the Corporation;
3. To deposit in the name and to the credit of the Corporation, in such bank, trust companies or other depositories as may be designated from time to time by the Board of Directors, all the moneys, funds, securities, bonds, and other similar valuable effects belonging to the Corporation which may come under his control;
4. To render annual statements showing the financial condition of the Corporation and such other financial reports as the Board of Directors, the Chairman and the President may, from time to time, require and at each annual meeting of the stockholders, he shall submit a copy of the statement of his account for the past year, with the proper vouchers, for their information;
5. To prepare such financial reports, statements, certification and other documents which may, from time to time, be required by government rules and regulations and to submit the same to the proper government agencies;
6. To perform all the duties incident to the office of a Treasurer of a Corporation, and such other duties as may be assigned to him by the Board of Directors.

The funds of the corporation drawn upon such depository/depositories of the Corporation designated by the Board of Directors and bills of exchange and other similar documents drawn against the Corporation shall be accepted by such officers as the Board of Directors may, by resolution, determine. The Board of Directors, however, shall designate at least two (2) officers to sign the checks for the withdrawal of the Corporation's funds at the acceptance of negotiable documents whereby the Corporation shall incur monetary obligations.

**SECTION 5 – Secretary.** The Secretary of the Corporation must be a resident and citizen of the Philippines. He shall be the custodian of and shall maintain the corporate books and record and shall be the recorder of the corporation's formal actions and transactions. He shall have the following specific powers and duties:

1. To record or see to the proper recording of and keep the minutes and transactions of all meetings of the Board of Directors and the Stockholders and to maintain the minute books of such meetings in the form and manner required by law;

2. To keep or cause to be kept record books showing the details required by law with respect to the stock certificates of the corporation, including ledgers and transfer books showing all shares of the corporation subscribed, issued and transferred;
3. To keep in his custody the corporate seal and affix it to all papers and documents requiring a seal, and to attest by his signature all corporate documents requiring the same;
4. To attend to the giving and serving of all notices of the Corporation required by law or these by-laws to be given;
5. To certify to such corporate acts, countersign corporate documents or certificates, and make reports or statements as may be required by law or these by-laws to be given;
6. To act as the inspector at the election of directors and, as such, to determine the number of shares of stock outstanding and entitled to vote, the shares of stock represented at the meeting, the existence of a quorum, the validity and effect of proxies, and to receive notes, ballots or consents, hear and determine all challenges and questions arising in connection with the right to vote, count and tabulate all votes, ballots or consents, determine the result, and do such acts as are proper to conduct the election or vote; and
7. To perform such other duties as are incident to his office or as may be assigned to him by the Board of directors or the President.

**SECTION 6 – Other Officers.** All other officers of the Corporation shall have such duties and shall exercised such powers as generally pertain to their respective offices, as well as, such duties and powers as may, from time to time, be prescribed by the Directors.

**SECTION 7 – Compensation.** The Board of Directors shall have the power to fix, increase, or reduce the compensation of all officers of the Corporation. It may authorize any officers, upon whom the power of appointing subordinate officers may have been conferred by the Board of Directors, to fix the compensation of such subordinate officers.

**SECTION 8 – Removal.** Any officer of the Corporation may, at any time, be removed, with or without cause, subject to the any existing contract between such officer and the Corporation. The Chairman, the Vice-Chairman, the President/Chief Executive Officer, the Chief Marketing officer, the Chief Financial Officer and the Treasurer, however, may only be removed by the vote of at least Five (5) members of the Board of Directors present at a meeting duly called for the purpose.

## ARTICLE VII

### **SHARES OF STOCK AND THEIR TRANSFER**

**SECTION 1 – Certificate of Stock.** Certificate for shares of the capital stock of the Corporation shall be in such form as shall be approved by the Board of Directors. They shall be numbered in the order of their issue, and shall be signed by the President and countersigned by the Secretary and the seal of the Corporation shall be affixed thereto. All certificates shall be bound in books and shall be issued in consecutive order therefrom and on the stub of each certificate issued shall be entered the number of the shares and the date thereof. The person to whom any certificate is issued shall personally, or by a duly authorized agent, give a receipt for shares so issued. Every certificate exchanged or returned to the Corporation shall be marked "Cancelled" together with the date of cancellation on the face thereof by the Secretary of the Corporation and shall immediately be pasted upon the stub in the certificate book containing the memorandum of its issue.

**SECTION 2 – Preemptive Rights.** Except as otherwise provided in these Article of Incorporation and the By-Laws of the Corporation, the stockholders shall have the rights to purchase any newly issued shares in proportion to their respective ownership percentages. In the event that the Corporation issues new shares, such shares shall first be offered to the then existing stockholders registered in the register of stockholders, in proportion to their respective equity ownership percentages as of the date of the offer. If stockholder desires that it does not wish to purchase the shared offered, such stockholder shall give notification thereof in writing to the Corporation and the other stockholders, within Fifteen (15) calendar days of the date of the offer or, if no notification of acceptance of the shares offered is received within the aforementioned period, then those shares not purchased shall be offered at the same price per share to the other stockholders who have accepted their full entitlement under their first offer, in proportion to their respective ownership percentages on the date of the first offer of shares. If those stockholders do not accept the second offer within Fifteen (15) calendar days of the date of the second offer, then any shares not yet purchased may be offered to third persons as designated by a general meeting of stockholders, and such sale shall be effected after obtaining any necessary approval of appropriate government authorities.

If pursuant to the preceding paragraph, a stockholders gives notices in response to the first offer that it does not wish to purchase newly issued shares, then, at any time until the later of: (i) Fifteen (15) calendar days of the date of the first offer, or (ii) Then (10) calendar days of receipt of such notice, any other stockholder who has agreed to purchase newly issued shares offered my, by notice to the Corporation and the stockholders, rescind all or part of any agreed of shares made pursuant to the first offer.

### **SECTION 3 – Transfer of Shares.**

1. **General Restrictions on Transfer of Shares.** No stockholder shall transfer all or any number of shares, or any rights in such shares, now owned or hereinafter acquired by him except as expressly permitted in accordance with the provisions of the Articles of



Incorporation of the Corporation and these By-Laws. Any transfer or attempted transfer by any stockholders of all or any number of such stockholder's shares, or rights in such shares, that is not in compliance with all of the provisions of the Articles of Incorporation or these By-Laws shall be null and void and the Corporation shall not record such transfer in its books and records.

2. **Rights of First Refusal.** A stockholder ("Selling Stockholders") may transfer all of its shares to a third person in accordance with the following procedure:

(A) **Sale Notice.** The selling stockholder shall give notice ("Sale Notice") to the Corporation and to each other thereof setting forth the selling stockholder's intention to effect the transfer. The sale notice shall specify: (i) the number of shares desired to be transferred ("Offered Shares"); (ii) the principal terms of the transfer (including the name of the proposed transferees, if known), the price and the payment terms at which the shares are intended to be transferred; and (iii) an offer to transfer to each other stockholder ("Non-selling Stockholder"), on terms and conditions identical to those contained in the Sale Notice, a number of shares, determined also in accordance with Section 3, Article VII of these By-Laws.

(B) **Acceptance Notice.** Within Forty-five (45) days of the date of a Sale Notice, each stockholder desiring to accept the offer made therein (the "Purchase Stockholders") shall provide notice thereof to the stockholder (the "Acceptance Notice"), specifying the maximum number of shares that such Purchasing Stockholder wishes to purchase.

(C) **Undersubscription and Oversubscription**

- (a) **Oversubscription.** If one or more Purchasing Stockholders shall have indicated a willingness to purchase, in the aggregate, more than the total number of Offered Shares, then the Purchasing Stockholders may divide the Offered Shares among themselves in a way they desire. In the absence of unanimous agreement among the purchasing stockholders within Fifty-five (55) days of the date of a Sale Notice, the Offered Shares shall be located among the Purchasing Stockholders in proportion to their Ownership Percentages as of the date of the Sale Notice; provided, however, that in all events the maximum allocation to any Purchasing Stockholder shall be the number of shares specified in its Acceptance Notice. Any Offered Shares remaining after such allocation shall be divided among those Purchasing Stockholders which indicated a willingness to purchase a greater number of Offered Shares than have been allocated in accordance with the preceding sentence, in proportion to their respective Ownership Percentages, and provided, again, that the maximum allocation to any Purchasing Stockholder shall be the number of share specified in its Acceptance Notice. The Corporation shall provide written confirmation of the allocation of Shares to each stockholder within Sixty-Five (65) days of the Sale Notice. If all

Offered Shares shall have been allocated, then the offering Stockholders and the Purchasing Stockholders shall complete the sale of shares, in accordance with the terms of the Sale Notice.

- (b) **Undersubscription.** If the Purchasing Stockholders shall have indicated a willingness to purchase less than all Offered Shares, then the selling Stockholder may, by giving notice to the Joint Venture Company and the Non-Selling Stockholders within seventy (70) days of the date of the Sale Notice, either: (i) complete the sale of less than all of the Offered Shares to the Purchasing Stockholders in accordance with the terms of the Sale Notice; or (ii) refuse to complete the sale to the Purchasing Stockholders. In either event, the Selling Stockholder may proceed to sell the Offered Shares (or such Offered Shares as remain unsold) to a third Party in accordance with Paragraph (iii) below.
- (c) **Sale to Third Person.** If any Offered Shares shall remain unsold after compliance with Paragraphs (A) through (c) of Paragraph 2, Section 3, Article VII above, then, within one hundred and eighty (180) days from the date of the Sale Notice, the Selling Stockholder may enter into a binding agreement with a third person for the sale of any Offered Shares which remain unsold; Provided, however, that the terms and conditions of any sale to third Person shall be comparable to and in all events no less favorable to the Selling Stockholder than the terms and conditions upon which the Offered Shares were offered to the Non-Selling Stockholders, as evidenced by the Sale Notice, and shall be consistent with the Selling Stockholder's compliance with all its obligations under this Section 3; Provided, further, that any obligations under to sell Offered Shares to a third Person shall be contingent upon;
  - (i) compliance with applicable provisions of Section 3 of this Article VII of these By-Laws, and
  - (ii) the consent of each of the Non-Selling Stockholders either given or denied, but not unreasonably withheld, within twenty (20) days of notification by the Selling Stockholder of the identify of a proposed purchaser. For purposes of this By-Laws, it shall be deemed not unreasonable to deny consent if, and only if, the third Person purchaser:
    - (i) is one of the entities, from time to time, specified in a resolution by the stockholder; or (ii) lacks a good business reputation in the Philippines or in foreign jurisdictions, or (iii) lacks adequate financial resources to fulfill its obligations under these By-Laws or any agreement among the stockholders.

(D) **Expiration of period for Sale to Third Person.** If either:

- (a) the Selling Stockholder has not entered into bidding agreement with a third Person purchaser within one hundred eighty (180) days of the date of a Sale Notice; or

- (b) the sale of Shares to a third Person is not completed, after receipt of all Licenses and the consent of each Non-Selling Stockholder, within One (1) year from the date of the Sale Notice, then the Selling Stockholder shall be prohibited from completing the sale to a third Person (and any contract with a third Person shall so provide). If a selling Stockholder continues to desire to sell Shares, it shall issue another Sale Notice and comply anew with all the provisions of Paragraph 2, Section 3, Article VII of these By-Laws.
- 3. **Continuing Obligations.** Notwithstanding any other provision contained in this By-Laws, no Transfer of any Share or any rights in such Shares, shall relieve any Stockholder of any obligations and duties arising prior to the date thereof which by the terms of any Contract or Agreement or by operation of Law would survive the transfer of said shares by a stockholder.
- 4. **Condition to All Transfers.** Any Transfer of Shares or any rights in Shares shall be subject to all the terms and conditions of these By-Laws and the fulfillment of each of the following conditions at or prior to the consummation thereof;
  - (a) The transferee shall have adopted and agreed in writing to be bound by all of the terms and conditions of these By-Laws, and agreed to pay all reasonable legal expenses incurred by the Corporation in the preparation of all documents and instruments necessary to effect such transaction and to amend these By-Laws, if required;
  - (b) The transferee shall have acknowledged and expressly agreed to assume all liabilities and obligations of the Selling Stockholder in connection with the Shares Transferred;
  - (c) All approvals required by the Stockholder and by all appropriate Governmental or non-Governmental Regulatory Authorities under any Contracts, or agreements, or pursuant to all applicable Laws shall have been obtained;
  - (d) The Selling Stockholder shall have fully complied with the requirements set forth in Paragraph 2 of this Article VII (Rights of First Refusal);
  - (e) The transaction shall not violate and shall be in full compliance with Laws and with any Order of any Governmental Authority applicable to the Corporation or any stockholder or prospective stockholder;
  - (f) The transaction shall not violate or constitute or result in a event of default, or result in an acceleration of any indebtedness, under any note, mortgage, loan Contract or similar instrument or document to which the Corporation is a party; and

- (g) All certificates of stock hereafter issued by the Corporation or transferred to any stockholder or such stockholder's permitted successor or assigns or to any third person shall bear the endorsement set forth in Paragraph 5 of this Article VII below.

5. **Endorsement of Stock Certificates.** Upon the execution of this Agreement or as possible under all applicable Laws, all certificates evidencing the Shares shall be endorsed as follows:

ANY SALE, ASSIGNMENT, TRANSFER, PLEDGE OR  
OTHER DISPOSITION OF THE SHARES OF STOCK  
REPRESENTED BY THIS CERTIFICATION IS  
RESTRICTED BY AND SUBJECT TO THE  
FOLLOWING TERMS AND CONDITIONS:

and citing, thereafter, all the provisions of Section 3 of this Article VII.

The Board of Directors shall, otherwise, have power and authority to make such rules and regulations not inconsistent with law or with these By-laws as it may deem expedient concerning the issue, transfer and registration of certificates of stock.

**SECTION 3 – Close of Records Books.** The Board of Director is hereby authorized to fix the time, not exceeding Twenty (20) days preceding the date of any meeting of stockholders, or the date for payment of any dividend, or the date for the allotment of rights, or the date when any change, or conversion, or exchange of capital stock shall go into effect, during which the books of the Corporation shall be closed against transfer of stock. In lieu of providing for the closing of the books against transfer of stock as aforesaid, the Board of Directors shall have the authority to fix in advance a date, not exceeding Twenty (20) days preceding: (1) the date of any meeting of stockholders; or (2) the date for the payment of any dividend; or (3) the date for the allotment of rights; or (4) the date when any change or a record date for the determination of the stockholders entitled to notice of, or to vote at, any such meeting, or entitled to receive payment of any such dividend, or to any such allotment of rights, or to exercise the rights in respect of any such change, conversion or exchange of capital stock. In such case stockholders of record on the date so fixed, shall be entitled to such notice of, and to vote at such meeting, or to receive payment of such dividend, or to receive such allotment of rights, or to exercise such rights, as the case may be, notwithstanding any transfer of any stock on the books of the Corporation after any such record date fixed as aforesaid. In any case in which the Board of Directors does not provide for the closing of the books against transfer of stock or fix a record date as aforesaid, the fifteenth day preceding the date of the meeting of stockholders, the dividend payment date or the date for the determination of the stockholders entitled to notice of and to vote at such meeting, or to receive such dividends or rights, as the case may be, shall be such closing or record date.

**SECTION 4 – Mutilated, Lost or Destroyed Certificates.** The Board of Directors may direct a new certificate of stock to be issued in place of any certificate therefore issued and alleged to have been lost or destroyed. The Board of Directors, when authorizing the issue of a



new certificate, may, in its discretion, require the owner of the stock represented by the certificate so lost or destroyed, or his legal representative, to furnish proof by affidavit or otherwise, to the satisfaction of the Board of Directors, as to the ownership of the stock represented by such certificate alleged to have been lost or destroyed, and facts which tend to prove such loss or destruction, and further may order the giving of such notice of loss or destruction as it may direct, and require such bond of indemnity with surety or sureties satisfactory to it and in such form and amount as it sees fit. The new certificate shall be plainly marked "Duplicate" and shall otherwise be of the same tenor as the one alleged to have been lost or destroyed.

## **ARTICLE VIII**

### **DIVIDENDS AND FINANCE**

**SECTION 1 – Fiscal Year.** The fiscal year of the Corporation shall begin on the first day of January and shall end with the thirty-first day of December of each year.

**SECTION 2 – Dividends.** Absent restriction in contracts with persons or compelling financial or business reasons which affect the Corporation and/or all of its stockholders, or, unless otherwise agreed upon by the stockholders, the Corporation shall, subject to the provisions of applicable law, declare and distribute dividends upon the stock of the Corporation.

Dividends shall be paid by the Corporation to the stockholders in Philippine currency at a place, within the Philippines, and in the manner as the Stockholder entitled thereto may notify the Corporation from time to time. Any and all expenses that may be incurred by the Corporation in complying with the notice given the stockholder of the place and manner of payment of dividends to him shall be reimbursed by the Stockholder so concerned.

The Corporation shall pay or remit all dividends to the Stockholders after deducting therefrom withholding tax and any other taxes levied thereon in accordance with all applicable Laws provided that such deduction shall not exceed the minimum legal liability therefore. The Corporation, as the case may be, shall promptly account to all appropriate Governmental Authorities in respect of such taxes withheld and shall submit to the Stockholder concerned authenticated copies of all receipts issued by any such Authority evidencing the payment of taxes.

**SECTION 3 – Annual Reports.** A full and true statement of the affairs of the Corporation shall be submitted at the annual meeting of the stockholders. Such statement shall be prepared by the President/Chief Executive Officer of the Corporation.

**SECTION 4 – Depositaries and External Auditors.** The Board of Directors shall appoint such depositaries as it may deem proper for the property and funds of the Corporation.

At the regular stockholders' meeting, the external auditors of the Corporation for the ensuing year shall be appointed. The external auditor or auditors shall examine, verify and report on the earnings and expenses of the Corporation and shall certify the remuneration of the external auditor or auditors as determined by the Board of Directors.

**SECTION 5 – Distribution of Net Earnings.** A portion of the net earnings resulting from the operations of the Corporation shall be disposed of as profit sharing after deducting all expenses, provisions for income tax, and reserves for losses in the following manner:

To the members of the Board of Directors, so much of the net earnings as the Board of Directors may deem proper, to be distributed in such manner as the Board may provide.

The Board of Directors is hereby empowered to further distribute out of the said net earnings such profit sharing to the officers of the Corporation as it may deem proper.

## ARTICLE IX

### **SUNDRY PROVISIONS**

**SECTION 1 – Books and Records.** Complete books of account of the business of the Corporation shall be kept at its principal office and such other place as the Board of Directors shall prescribe. The books and records of the Corporation, or any of them, shall be open to the inspection of stockholders during regular business hours. Under no circumstances shall any stockholder have the right to inspect any book or record any statement for an illegal or improper purpose.

**SECTION 2 – Bonds.** The Board of Directors may, if it considers advisable, require any officer, agent or employee of the Corporation to give a bond to the Corporation, conditioned upon the faithful discharge of his duties, with one or more sureties and in such amount as may be satisfactory to the Board of Directors.

**SECTION 3 – Voting Upon Stock in Other Corporation.** Any stock in other corporation, which may, from time to time, be held by the Corporation, may be represented and voted at any meeting of stockholders of such other Corporation by the President or a duly designated officer of the Corporation or by a proxy executed in the name of the Corporation by its President or a duly designated officer with the corporate seal affixed and attested to by the Secretary.

**SECTION 4 – Amendments.** These By-Laws, may be altered, amended or repeal by the affirmative vote of a majority of the stock issued and outstanding and entitled to vote and majority of the Board of Directors at any regular meeting of stockholders. The same may be taken at any special meeting of the stockholder and the Board of Directors if notice of the proposed alteration, amendment or repeal is contained in the notice of the meeting. The Board of

Directors may adopt additional regulations in testimony with foregoing By-Laws and their amendments, but shall not alter, modify or repeal the foregoing By-Laws and their amendments.

The foregoing By-Laws were adopted by the unanimous consent of the owners of a majority of the outstanding stock of the Corporation at the meeting of the shareholders held at Manila, Philippines on the \_\_\_\_\_ (date) \_\_\_\_\_.

IN WITNESS WHEREOF, WE, the undersigned shareholder present at said meeting and voting thereat in favor of the adoption of said By-Laws, have hereunto subscribed our names and with the President of the meeting and the Secretary of the same do likewise with our signatures attest.

PHILIPPINE COMMERCIAL  
INTERNATIONAL BANK

CIGNA WORLDWIDE INSURANCE  
COMPANY

By:

By:

(SGD.) EUGENIO LOPEZ, JR.

(SGD.) HENRY McEWAN

(SGD.) JOHN GOKONGWEI, JR.

(SGD.) RORY M. CARSON

(SGD.) RAFAEL B. BUENAVENTURA

(SGD.) ROLANDO MEDALLA, JR.