

PROPOSED AMENDMENTS TO PCGSLAI's ARTICLES OF INCORPORATION (AOI) AND BY-LAWS

I. ARTICLES OF INCORPORATION

CURRENT AOI	PROPOSED AOI	PURPOSE
THIRD – That the place where the principal office of the corporation is to be established or located is in Metro Manila, Philippines (As amended on 28 Sep 2006)	THIRD – That the place where the principal office of the corporation is to be established or located is in <u>PCGSLAI Bldg., Coast Guard Base Farola, Farola Compound, Muelle dela Industria, Binondo, Manila.</u>	As required pursuant to Securities and Exchange Commission (SEC) Memo Circular No. 6 dated 09 June 2016.

II. BY-LAWS

CURRENT BY-LAWS	PROPOSED BY-LAWS	PURPOSE
ARTICLE I. OFFICE		
<u>Sec. 1</u> The principal office of the Association shall be in Metro Manila. (As amended on 28 Sep 2006)	Sec. 1. The principal office of the Association shall be in <u>PCGSLAI Bldg., Coast Guard Base Farola, Farola Compound, Muelle dela Industria, Binondo, Manila.</u>	As required pursuant to SEC Memorandum Circular No. 6.
ARTICLE II. MEMBERSHIP		
Sec. I. The following shall be eligible for membership in the Association: (As amended on 28 Sep 2006)	Sec. I. The following shall be eligible for membership in the Association <u>and shall be classified as follows:</u>	To address the growing number of members for better accounting and recording
a. Regular Members 1) Officers and enlisted personnel on active duty and permanent/casual civilian employees of the Philippine Coast Guard; (As amended on 28 Sep 2006) 2) Retired Officers, enlisted personnel and civilian employees of the Philippine Coast Guard; (As Amended on 28 Sep 2006) 3) Immediate members of the families (up to the second degree of consanguinity or affinity) of those falling under numbers 1 and 2 of this subparagraph.(As amended on 28 Sep 2006)	a. Regular Members 1) Officers and <u>non-officers (previously called Enlisted Personnel) and Civilian Employees who are in the active service of the Philippine Coast Guard (PCG);</u> 2) <u>Officers, non-officers and civilian employees who retired from the service of the PCG and those receiving monthly pension from the PCG</u>	To identify members who are receiving salaries/pensions from the PCG.
b) Honorary Members - Regular Employees of the PCGSLAI (As amended on 28 Sep 2006)	<u>b. Associate Members - Relatives of regular members up to the second degree of consanguinity or affinity; Provided that the death of the Regular member does not affect their membership.</u>	To identify the relatives of regular members as distinguished from regular/retired PCG personnel
	<u>c. Honorary Members - Regular employees of the PCGSLAI</u>	Already approved as Amended on 28 September 2006. Moved from Article II Section 1 item b to Item c.

Sec 2. Any person eligible for membership shall become member of the Association only after approval of his application for membership by the Board of Trustees who shall require the applicant to abide by the By-Laws, rules and regulations and policies of the Association.	Sec 2. Any person eligible for membership shall become member of the Association only after approval of his application for membership by the Board of Trustees <u>or the approving authority duly delegated by the Board of Trustees</u> , who shall require the applicant to abide by the By-Laws, rules and regulations and policies of the Association.	To facilitate approval of application for membership since the Board of Trustees usually meet only once or twice a month.
Sec. 3 Every New member shall pay the amount of ONE HUNDRED PESOS (P100.00) as membership fee.	Sec 3. <u>The acceptance of new members may be temporarily suspended as may be deemed appropriate by the Board of Trustees.</u>	To give the Board of Trustees options to regulate influx of members if situation requires for the good of the Association.
Sec. 4. The PCGSLAI shall maintain a Registry of Members.	<u>Sec 4.</u> Every New member shall pay the amount of ONE HUNDRED PESOS (P100.00) as membership fee.	Transferred from Sec.3 to Sec. 4
Sec. 5. The Board of Trustees shall during a meeting pass a resolution for the automatic relief or suspension of member of the PCGSLAI if found to have given fraudulent information in order to acquire loan.	<u>Sec 5.</u> The PCGSLAI shall maintain a Registry of Members.	Transferred from Sec.4 to Sec. 5
	<u>Sec 6.</u> The Board of Trustees shall during a meeting pass a resolution for the automatic relief or suspension of member of the PCGSLAI if found to have <u>committed</u> fraudulent <u>transaction with the Association</u> .	Additional provision to grant the Board of Trustees the disciplinary power against erring members.
ARTICLE III. CAPITAL CONTRIBUTION, SAVINGS DEPOSIT AND TIME DEPOSITS		
Sec. 1. The maximum and minimum non-withdrawal capital contribution shall be determined by the Board of Trustees. Any excess on the maximum capital contribution shall be treated as savings deposit and shall earn interest computed based on the prevailing rate.	Sec. 1. The maximum and minimum non- <u>withdrawable</u> capital contribution shall be <u>governed by existing regulations</u> . Any excess of the maximum monthly capital contribution <u>and special savings deposit limits shall be transferred to a Special Disbursement Account (SDA) pending withdrawal of the member, subject to existing regulations.</u>	Special Disbursement Account (SDA) is a holding account of all members where unclaimed overpayment, excess deposits are maintained pending withdrawal of the member.
ARTICLE VI. DIRECTION, MANAGEMENT AND ADMINISTRATION		
Sec. 6 The Officers of the Association shall be a President, an Executive Vice President, Vice President for Administration and Human Resources Management and General Services; Vice President for Treasury; Vice President for Marketing and Strategic Planning, Internal Auditor and such other officers as may be designated by the Board of Trustees.	Sec. 6 The Officers of the Association shall be a President, an Executive Vice President, Vice President for Administration and Human Resource Management and General Services, Vice President for Treasury, <u>Vice President for Operations</u> , Internal Auditor and such other officers as may be designated by the Board of Trustees.	Vice President for Operations is more appropriate than Vice President for Marketing and Strategic Planning since most of the functions of the latter can be done by the former.
Sec.8. The Board of Trustees should convene for a special	Sec. 8. The Board of Trustees should convene for a special	Bullets were changed to alphabetical designation for

meeting to pass a resolution effecting the automatic relief or suspension of a Trustee, Officer or member of the PCGSLAI upon the following grounds: ○ When convicted by final judgment of a court of law or administrative body for a crime, act or omission, in their private capacity, as member of the PCGSLAI or as PCG personnel; ○ Any Trustee, officer or member found to have committed act of disloyalty to the PCGSLAI; ○ Divulging or leaking confidential corporate secrets to other companies; ○ If such Trustee/Officer becomes a trustee/officer of rival company.	meeting to pass a resolution effecting the automatic relief or suspension of a Trustee, Officer or member of the PCGSLAI upon the following grounds: <u>a.</u> When convicted by final judgment of a court of law or administrative body for a crime, act or omission, in their private capacity, as member of the PCGSLAI or as PCG personnel; <u>b.</u> Any Trustee, officer or member found to have committed act of disloyalty to the PCGSLAI; <u>c.</u> Divulging or leaking confidential corporate secrets to other companies; <u>d.</u> If such Trustee/Officer becomes a trustee/officer of rival company.	easier identification of references.
ARTICLE VII. POWERS, DUTIES AND RESPONSIBILITIES OF THE OFFICERS OF THE ASSOCIATION		
Sec.6. The Vice President for Marketing and Strategic Planning shall handle the marketing and advertisements as well as product development to keep the Association abreast with changes and demands of its clientele. He shall come up with plans and strategies for the expansion and growth of the corporation and research and study on probable investments for the Association for presentation to the President for endorsement to the Board for approval.	Sec 6. <u>The Vice President for Operations shall be responsible for directing, managing, overseeing and coordinating all the day to day operations of the Operations Department as well as safekeeping of loan records of all PCGSLAI members. He shall likewise be responsible for the development and improvement of PCGSLAI products and services and shall make sure that all members of the Association are well informed through the conduct of Information Campaign and Marketing Drive. He shall perform other duties as maybe required and directed by the President.</u>	To properly identify the duties and responsibilities of the Vice President for Operations.