

ARTICLES of COOPERATION
of the
BENGUET ELECTRIC COOPERATIVE

KNOW ALL MEN BY THESE PRESENTS:

We, the undersigned citizens of the Republic of the Philippines all of whom are of legal age and residents of Baguio City and the Province of Benguet, Cordillera Administrative Region (CAR), Philippines with firm collective intent, have this day voluntarily associated ourselves for the purpose of forming a primary electric cooperative under the laws of the Philippines, particularly Republic Act 9520 (otherwise known as the Philippine Cooperative Code of 2008) to advance our inherent right to inclusive development through an efficient, affordable, sustainable and reliable electric power supply and services.

AND WE HEREBY CERTIFY:

ARTICLE I
NAME of the COOPERATIVE

That the name of this Cooperative shall be **BENGUET ELECTRIC COOPERATIVE** --- hereinafter referred to as "**BENECO**" and/or "**Cooperative**".

ARTICLE II
PURPOSES and SCOPE of BUSINESS

That the purposes for which this Cooperative is organized are to engage in:

1. The distribution and supply of electricity within its franchise area;
2. Power generation utilizing new and renewable energy sources, including hybrid systems;
3. Operation and acquisition of sub-transmission facilities/assets;
4. Other services or business ventures (example broadband/internet, rental of cooperative properties and other activities that generates income) without compromising the efficiency and resources of the electric cooperative.
5. The implementation of the Rural Electrification Program in its respective areas of coverage in consonance with the terms and conditions appurtenant to its Certificate of Franchise;
6. Promoting and advancing the economic and social status of the members;
7. Advocating for the cause of the cooperative movements;
8. Ensuring the viability of cooperatives through the utilization of new technologies.

COOPERATIVE POWERS:

In the furtherance of and not in limitation of the general powers conferred by the laws of the Philippines and the objectives and purposes herein set forth, this Cooperative (or **BENECO**) shall have the following powers:

1. To draw, make, accept, endorse, guarantee, execute and issue promissory notes, mortgages, bills of exchange, draft, warrants, certificates and all kinds of

obligations and instruments in connection with and in the furtherance of its business operation.

2. To issue bond, debentures and other obligations of BENECON, to contract lien on any or all of the real or personal properties of BENECON.
3. To cooperate with other similar cooperatives in creating provincial, regional or national federation/unions of cooperatives for any of the purposes for which BENECON is formed.
4. To exercise the power of eminent domain in the furtherance of the Rural Electrification Program of the government.

ARTICLE III GOALS

The goals of BENECON as a cooperative are as follows:

1. Provide an affordable/reasonable, sustainable, reliable and efficient power supply to its members.
2. Spur the rural economic, social and cultural activities of the members through the provision of affordable, available, competitive and reliable power supply.
3. Promote a sustainable and viable electric cooperative that would support the rural electrification program of the government.
4. Secure an inclusive growth with equitable distribution of wealth among its member-consumers in terms of access to electricity and improvement of the lives of the low-income, less-privileged, and marginalized member-consumers.
5. Implement a policy of transparency and accountability for all cooperative officers/officials.

ARTICLE IV POWERS and CAPACITIES

That the powers, rights and capacities of this Cooperative are those prescribed under Article 9 of Republic Act 9520.

1. To the exclusive use of its registered name;
2. To sue and be sued;
3. Of succession;
4. To amend its articles of cooperation in accordance with the provisions of RA 9520;
5. To adopt by-laws not contrary to law, morals or public policy, and to amend and repeal the same in accordance with RA 9520;
6. To purchase, receive, take or grant, hold, convey, sell, lease, pledge, mortgage, and otherwise deal with such real and personal property as the transaction of the lawful affairs of the Cooperative may reasonably and necessarily require, subject to the limitations prescribed by law and the Constitution;
7. To form subsidiary Cooperatives and join federations or unions, as provided in this Code;
8. To avail of loans, be entitled to credit and to accept and receive grants, donations and assistance from foreign and domestic sources subject to the conditions of said loans, credits, grants, donations or assistance that will not undermine the autonomy of the Cooperative. The Authority, upon written request, shall provide necessary assistance in the documentary requirements for the loans, credit, grants, donations and other financial support;

9. To avail preferential rights granted to cooperatives under RA 7160, otherwise known as the Local Government Code, and other laws.
10. To exercise such other powers granted under RA 9520 or necessary to carry out its purposes as stated in this Articles of Cooperation.

**ARTICLE V
GOVERNING LAWS**

The provisions of the RA 9520 (or the Philippine Cooperative Code of 2008) on the operations of cooperatives are recognized and forms part of this Articles of Cooperation.

The Cooperative (BENECO) shall be governed by the Philippine Cooperative Code of 2008 (or RA 9520).

All matters pertaining to the declaration of net surplus, patronage refund, interest on share capital, provision of dividends, membership and annual dues and cost of share or equity contribution shall be governed by RA 9520 (or the Philippine Cooperative Code of 2008).

All internal issues, conflicts and disputes involving cooperatives on matters of administration, shares and membership shall be governed by the mechanisms on mediation provided by RA 9520

The Cooperative (or BENECO) shall have the autonomy in the determination of the salary and benefits of its officers and employees --- subject to certain parameters adopted by the Board of Directors and pertinent performance standards.

**ARTICLE VI
TERM of EXISTENCE**

The franchise to operate of the Cooperative (BENECO) shall be FIFTY (50) YEARS pursuant to its CERTIFICATE of FRANCHISE issued by the National Electrification Administration [NEA] on March 20, 1978.

Likewise, its existence as a CDA-registered cooperative shall be FIFTY (50) YEARS reckoned from the date of its CERTIFICATE of REGISTRATION issued on November 11, 2020 by the with the Cooperative Development Authority (CDA).

**ARTICLE VII
COMMON BOND and FIELD of MEMBERSHIP**

That the common bond of membership of this Cooperative is their need to avail of electricity from BENECO. Membership in BENECO as a primary cooperative shall be open to any person (as "regular member") or any firm, association, corporation or body politic or subdivision thereof (as "institutional members") who seek or seeks to avail of electric supply from the Cooperative (BENECO) pursuant to the regulatory compliances and qualifications provided by the Articles of Cooperation and the By-Laws of the Cooperative (BENECO).

ARTICLE VIII
AREA of OPERATION / PRINCIPAL OFFICE

The members of the Cooperative (or BENECON) shall come from the areas covered by its franchise which is Baguio City and the 13 municipalities of Benguet --- Atok, Bakun, Bokod, Buguias, Itogon, Kabayan, Kapangan, Kibungan, La Trinidad, Mankayan, Sablan, Tuba and Tublay.

The principal office of the Cooperative (or BENECON) is at No. 4, Barangay South Drive, Baguio City.

ARTICLE IX
NAMES and ADDRESSES of COOPERATORS

That the name and complete postal address of the cooperators are as follows:

NAME	NATIONALITY	POSTAL ADDRESS
MANUEL E. GONZALES JR.	Filipino	District I, Baguio City
MARCELO P. CABATO	Filipino	District III, Baguio City
MANUEL B. CARANTES	Filipino	District IV, Baguio City
BASANIO TELLO	Filipino	Bokod, Benguet
JUAN B. TIONGAN	Filipino	Itogon, Benguet
PEDRO G. PIMENTEL	Filipino	Sablan, Benguet
CARLOS M. DUMASI	Filipino	Tuba, Benguet
MAHONG S. MUSCARA	Filipino	Tublay, Benguet

ARTICLE X
BOARD of DIRECTORS

The number of Directors of BENECON shall be eleven (11).

The names and addresses of the incumbent Directors who shall serve until their successors shall have been elected and qualified as provided for in the by-laws are:

NAME	NATIONALITY	POSTAL ADDRESS
DIR. JEFFRED S. ACOP	Filipino	JF 85, J. Tumpao St., Sitio Toyong, La Trinidad, Benguet
DIR. PETER B. BUSAING	Filipino	86 Block 1, West Quirino Hill, Baguio City
DIR. MIKE W. MASPIL	Filipino	12 Sumulong St., Baguio City
DIR. JONATHAN C. OBAR	Filipino	Mankayan, Benguet
DIR. ESTEBAN A. SOMNGI	Filipino	228 Camp 8, Baguio City
DIR. JOSEPHINE B. TULING	Filipino	Tuding, Itogon, Benguet
DIR. ROBERT L. VALENTIN	Filipino	Central Banengbeng, Sablan, Benguet
ENGR. MELCHOR S. LICOBEN	Filipino	Dekkan Subdivision, Longlong, Puguis, La Trinidad, Benguet

The above-named incumbent Directors shall serve in a hold-over capacity until the election of the Directors who will first serve after registration of BENECON with the Cooperative Development Authority (CDA) shall have been approved.

**ARTICLE XI
CAPITALIZATION**

That the Authorized Share Capital of this cooperative is One Billion One Hundred Four Million Pesos (PhP1,104,000,000.00) **divided into Eleven Million Forty Thousand (11,040,000) common shares** with a par value of One Hundred Pesos (Php100.00) per share.

**ARTICLE XII
SUBSCRIBED AND PAID-UP SHARE CAPITAL**

That of the authorized share capital, the amount of Two Hundred Seventy-Six Million Pesos (P276,000,000.00) is the subscribed capital and Sixty-Nine Million pesos (P69,000,000.00) of the total subscription is the paid-up capital.

**ARTICLE XIII
ARBITRAL CLAUSE**

Any dispute, controversy or claim arising out of or relating to this Articles of Cooperation, By-laws, the Cooperative laws and related rules, administrative guidelines of the Cooperative Development Authority, including inter-cooperative, inter-federation disputes and related concerns shall be exclusively referred to and finally resolved by voluntary arbitration under the institutional rules promulgated by the Cooperative Development Authority, after compliance with the conciliation or mediation mechanisms embodied in the Bylaws and in such other pertinent laws and issuances.

BE IT KNOWN THAT:

MIKE W. MASPIL has been appointed/elected as **TREASURER** of **BENECO** Board of Directors to act as such until his successor shall have been duly-elected and qualified in accordance with the by-laws and that as **TREASURER**, he has been authorized to receive for and in consideration of **BENECO** said amounts and to issue receipts in the name of **BENECO** for all subscriptions/shares paid in by the members.

ACKNOWLEDGMENT

Republic of the Philippines)
City of Baguio) **S.S.**

BEFORE ME, a Notary Public for and in the City of Baguio, Philippines, personally appeared on this JUL 25 2022 day of 2022 the following persons with their respective valid identification cards, as follows:

NAME	VALID I.D. NUMBER	ISSUED ON / AT
DIR. JEFFRED S. ACOP	Driv. Lic. No. A01-87-019458	
DIR. PETER B. BUSAING	TID I.D. No. 400-976-220-00	11/19/10 Baguio City
DIR. MIKE W. MASPIL	TIN I.D. No. 136-833-812	03/14/92 Baguio City
DIR. JONATHAN C. OBAR	SSS I.D. No. 01-0925-417-1	
DIR. ESTEBAN A. SOMNGI	TIN I.D. No. 196-015-740-000	01/09/15 Baguio City
DIR. JOSEPHINE B. TULING	SSS I.D. No. 01-706363-1	
DIR. ROBERT L. VALENTIN	SSS I.D. No.01-06-99303-7	
ENGR. MELCHOR S. LICOBEN	TIN I.D. No. 149-796-817-000	

All known to me to be the same persons who executed the foregoing Articles of Cooperation, and acknowledged to me that the same is their free will and voluntary deed.

This instrument known as Articles of Cooperation consists of six (6) pages including this page where the acknowledgment is written signed by the parties and their instrumental witnesses on each and every page thereof.

IN WITNESS WHEREOF, I have hereunto set my hand and seal on the date and place hereinabove indicated.

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Page No.: 2
Book No.: 14
Series of 2022

Notary Public

LAUREL LIPINA LIN MAYOG
 Notary Public, Baguio City
 My commission expires on December 30, 2023
 Serial No. RA-112-32-NC-21-R
 Privilege Tax Receipt No. 54310F1; 03 January 2022
 IBP ORL Membership No. 005900; 03 January 2022
 Roll No. 09033; June 1, 2017; Cert. No. 091-430492
 Room 204, Cvek Square, Cvek St. A/PO-C Baguio City, Baguio City
 Doc. No. _____; Page No. _____; Title No. _____ of 2022