

BY-LAWS of the BENGUET ELECTRIC COOPERATIVE

KNOW ALL MEN BY THESE PRESENTS:

We, the undersigned Filipino citizens, of legal age, and residents of the Philippines, representing at least majority of the members of this Electric Cooperative, do hereby adopt this By-laws.

ARTICLE I PURPOSES and OBJECTIVES

PURPOSES

This Cooperative (or BENEKO) has been organized for the following purposes:

1. Generation, transmission and distribution of electricity for its consumers utilizing any available resources including renewable energy sources and hybrid systems and the acquisition and operation of sub-transmission lines; this allows the electric cooperative to engage in the put up of or enter into joint ventures for renewable energy power plant facilities and acquisition and operation of electric sub-transmission lines.
2. Promotion and advancement of the socio-economic and cultural status of its members through the promotion, advocacy and facilitation of cooperation.
3. Provision of consultancy-/contracting-related to power generation, transmission and distribution.
4. Engagement in 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. Other programs, activities and services related to the above-cited purposes approved by the General Assembly.

ARTICLE II MEMBERSHIP

SECTION 1. KINDS of MEMBERSHIP

All those who avail of the services of BENEKO and who qualify as regular or institutional members are entitled to membership in the electric cooperative.

- **REGULAR MEMBER** refers to a natural person or consumer-owner with active electrical service connection who has the right to vote and to be voted upon and entitled to all the rights and privileges of membership under RA 9520 [otherwise known as the Philippine Cooperative Code of 2008] and the Magna Carta of Electric Consumers.
- **ASSOCIATE MEMBER** refers to a natural person or consumer-owner with active electrical service connection who has not fully paid the minimum share capital, has no right to vote nor be voted upon and shall be entitled only to such rights and privileges as the bylaws may provide. Provided, that an associate who meets the minimum requirements of regular membership, continues to patronize the cooperative for two (2) years, and signifies his/her intention to remain a member shall be considered a regular member.
- **INSTITUTIONAL MEMBER** refers to an institution or entity such as but not limited to corporations, industrial and commercial establishments, joint ventures, other cooperatives, local government units (LGUs), buildings or facilities as represented by the head of such establishments or entities.

The duly authorized representative of the INSTITUTIONAL MEMBER can vote but he/she cannot be voted upon as an officer or Director of the electric cooperative.

SECTION 2. REQUIREMENTS for MEMBERSHIP

Any person, firm, association or body politic or subdivision thereof may become a member of the Cooperative by:

1. Filing a written application for membership (for new membership)
2. Paying the required membership fee of One Hundred Pesos (PhP100.00) for new members
3. Submission of the required Certificate of Completion of the prescribed Pre-Membership Education Seminar (PMES)
4. Subscribing to the minimum share capital requirement of at least twenty (20) shares equivalent to two thousand (P2,000.00) pesos of which payment of five (5) shares equivalent to five hundred pesos (P500.00) must be paid as initial minimum share capital upon approval of membership. The balance of which shall be payable within fifteen (15) months.

The P100.00 membership fee shall be collected from incoming and new members after the ratification by the ARGAM of these By-Laws which shall be paid one time. Existing members shall not pay any membership fee.

Collection of the said amount shall be made by way of a duly-approved billing form which shall be separate and distinct from the usual monthly power bill issues to a member-consumer.

5. Signing of a Contract of Service Connection

SECTION 3. APPLICATION FOR MEMBERSHIP

An applicant for membership shall comply with the requirements for service connection. The Board of Directors shall confirm the application within thirty (30) days from the date of filing. The Board of Directors shall devise a form for the purpose which shall, aside from the personal data of the applicant, include the duties of a member to participate in all programs including but not limited to capital build-up and savings mobilization of the Cooperative and, such other information as may be deemed necessary.

The application form for membership shall include an undertaking to uphold the By-laws, policies, guidelines, rules and regulations promulgated by the Board of Directors and the general assembly. No application for membership shall be given due course if not accompanied with a membership fee of one hundred pesos (Php 100.00), which shall be refunded in case the rejection of application.

SECTION 4. MINIMUM SHARE CAPITAL REUIREMENT

An applicant for **REGULAR MEMBERSHIP** shall subscribe at least **twenty (20) shares** and pay the value of at least **two thousand (2000)** pesos upon approval of his/her membership.

An applicant for **INSTITUTIONAL MEMBERSHIP** cannot subscribe shares of the Cooperative.

However, no member shall own or hold more than ten percent (10%) of the total subscribed share capital of the Cooperative.

SECTION 5. MEMBER SHARE CAPITAL CERTIFICATES

Membership in the Cooperative shall be evidenced by a share capital certificate and/or other available records. The share capital shall be issued after the full payment of the minimum share capital.

Existing membership certificates that have been issued prior to the registration of the cooperative with the CDA shall remain valid and effective; in case a member share certificate has been lost, destroyed or mutilated, a new certificate may be issued thereof upon such uniform terms and indemnity to the cooperative as the Board may prescribe.

SECTION 6. JOINT MEMBERSHIP

- a. A member, regardless of the number of accounts he has registered with the Cooperative, shall only be entitled to one membership.
- b. Any application for membership by a husband or a wife alone shall automatically be deemed to be an application for joint membership to include the spouse whose name shall likewise be indicated thereon; any application failing to indicate thereof the name of the applicant's spouse shall be deemed as application for single membership.
- c. **JOINT MEMBERSHIP** shall be governed by the following rules:
 1. the presence at a meeting of either or both shall be regarded as the presence of one member and shall constitute a joint waiver of notice of meeting
 2. the vote of either separately or both jointly shall constitute a joint waiver
 3. a waiver of notice signed by either or both shall constitute a joint waiver
 4. notice to either shall constitute notice to both
 5. expulsion of either shall terminate the joint membership
 6. either but not both may be elected or appointed as officer or Board member, provided that the qualifications for such office are met
 7. upon death of either spouse who is a party to the joint membership, such membership shall be held solely by the survivor; the outstanding membership certificate shall be surrendered and shall be re-issued in such manner as shall indicate the changed membership status; provided however that the estate of the deceased shall not be released from any debts due to the Cooperative

Section 7. DUTIES AND RESPONSIBILITIES OF A MEMBER

It is the duty of every member of BENEKO to

1. pay the installment of his/her share capital subscription as it falls due and to participate in the capital build-up and savings mobilization activities of the Cooperative;
2. pay electric bills on time
3. patronize the business and services of BENEKO
4. participate in the membership education programs
5. attend and participate in the deliberation of all matters taken during Annual Regular General Assembly Meeting (ARGAM) and Special General Assembly Meeting
6. observe and obey all lawful orders, decisions, rules and regulations adopted by the Board of Directors and the General Assembly
7. promote the purposes and objectives of BENEKO, the success of its business (e.g., to report to BENEKO illegal connections, low-sagging and grounded lines), the welfare of its members and the cooperative movement in general
8. each member shall, as soon as electric energy shall be available, purchase from the Cooperative all electric energy used in the premises specified in this application for membership and pursuant to the electrical plan as duly-submitted and shall pay therefore the cost or rates thereof as fixed through the rate methodology of the electric cooperative pursuant to the unbundling provisions of RA 9136 (otherwise known as the Electric Power Industry Reform Act or EPIRA) and as approved by the Energy Regulatory Commission (ERC). In cases where the member is qualified and has decided to source its power supply from other suppliers in view of the RCOA, net-metering and GEOP, the member shall continue to pay the necessary fees excluding the generation charges.

Section 8. RIGHTS AND PRIVILEGES OF MEMBERS

- A. Every **REGULAR MEMBER** shall be entitled to the following rights and privileges:
 1. Avail of the services and/or patronize the products of the BENEKO.
 2. Vote in a District election as defined under Article V (Board of Directors), Section 3 (Election and Tenure) of these By-Laws.
 3. Seek any elective or appointive position as prescribed in these By-Laws and under the Philippine Cooperative Code of 2008.

4. Participate in the deliberations of any issues brought during Annual Regular General Assembly Meeting (ARGAM), whether regular or special, and vote on all matters brought before each meeting.
 5. Inspect and examine the books of accounts, the minute books, the share capital register, and other records of BENECO during reasonable office hours on business days in accordance with the cooperative policy.
 6. Secure or demand in writing for a copy of excerpts from the records of BENECO, documents pertaining to the account information of the requesting member without charge except the cost of reproduction.
 7. Such other rights and privileges granted by the General Assembly.
- B. Every **INSTITUTIONAL MEMBER** shall enjoy all the rights and privileges of a **REGULAR MEMBER** as enumerated above (except that the duly-authorized representative shall be ineligible for election as officer of the Cooperative).
- C. Every **ASSOCIATE MEMBER** shall enjoy the rights and privileges of a **REGULAR MEMBER** except for No. 2 and 3 referred to in Sec. 8 (A).

Section 9. MEMBERS ENTITLED TO VOTE

- a. Any regular member in good standing who meets the following conditions:
1. No unpaid accounts up to the last billing preceding the district election, ARGAM or special assembly
 2. Not apprehended for violation of R.A. 7832 "Anti-electricity and Electric Transmission Lines/Materials Pilferage Act of 1994"
- b. Any institutional member in good standing who meets the following conditions:
1. No unpaid accounts up to the last billing preceding the district election, ARGAM or special assembly
 2. Not apprehended for violation of R.A. 7832 "Anti-electricity and Electric Transmission Lines/Materials Pilferage Act of 1994"
 3. Duly-authorized by the institution being represented

A member entitled to vote shall have the following additional rights:

- a. Participate and vote on all matters deliberated upon during General Assembly meetings;
- b. Seek any elective or appointive position, subject to the provisions of this By-laws and the Philippine Cooperative Code of 2008; and
- c. Such other rights and privileges as may be provided by the General Assembly.

SECTION 10. MEMBERSHIP FEE

The membership fee for every member shall be set at P100.00. The membership fee can be changed from time-to-time by the Board of Directors for justifiable reason.

SECTION 11. TERMINATION of MEMBERSHIP

Termination of membership may be automatic, voluntary or involuntary which shall have the effect of extinguishing all the rights of a member --- subject to refund of shares/contributions within sixty (60) days upon termination.

- a. **AUTOMATIC TERMINATION.** The death or insanity of a member shall be considered as grounds for automatic termination of membership; provided however that in case of death or insanity, the next-of-kin shall assume the duties and responsibilities of the original member through the process of change-of-account-name complying with the requirements for membership.
- b. **VOLUNTARY TERMINATION.** A member, for any valid reason, may withdraw his/her membership by giving sixty (60)-day written notice to the Board of Directors.
- c. **INVOLUNTARY TERMINATION.** Membership may be terminated by a vote of the majority of all the members of the Board for any of the following causes:

1. has notoriously refused or ignored to pay his/her electric bill resulting to several disconnections of his/her connection as provided in the policies of BENECECO
2. has violated any provision of these by-laws and the policies of BENECECO.
3. has committed any act or omission injurious or prejudicial to the interest or the welfare of BENECECO.

The value of the shares of the member whose membership was terminated --- voluntary or with due cause --- shall be returned to the concerned member subject to policies of BENECECO

Section 12. MANNER OF INVOLUNTARY TERMINATION

The Board of Directors shall notify in writing the member who is being considered for termination and shall give him/her the opportunity to be heard.

The written decision of the Board of Directors shall be communicated in person or by registered mail to said member and is appealable within thirty (30) days from receipt thereof to the General Assembly or Appeal and Grievance Committee/Membership Committee, as the case may be, whose decision shall be final.

Section 13. REFUND OF SHARE CAPITAL CONTRIBUTION

A member whose membership is terminated shall be entitled to a refund of his/her share capital contribution and all other interests in the Cooperative. However, such refund shall not be made if upon payment the value of the assets of the Cooperative would be less than the aggregate amount of its debts and liabilities exclusive of his/her share capital contribution. In which case, the member shall continue to be entitled to the interest of his/her share capital contributions, patronage refund and the use of the services of the Cooperative until such time that all his/her interests in the Cooperative shall have been duly paid.

A member who terminates his membership is entitled to the refund of his share capital including unpaid dividends if any subject to the payment of cooperative dues. Unless, his/her membership is continued by way of succession or court decision.

ARTICLE III PROPERTY RIGHTS and LIABILITIES of MEMBERS

SECTION 1. PROPERTY INTEREST of MEMBERS

The members are joint owners of the Cooperative with their individual equity in its assets determined on the basis of their share capital contribution.

Upon dissolution, after (a) all debts and liabilities of the Cooperative shall have been paid; and (b) all capital furnished through patronage shall have been retired as provided in the by-laws, the remaining property and assets of the Cooperative shall be distributed among members and former members in the proportion which aggregate patronage of each bears to the total patronage of all members during preceding the date of the filing of the certificate of dissolution, or if the Cooperative shall not have been in existence for such a period, during the period of its existence.

SECTION 2. EQUITY SHARE

1. There shall be two sources of equity share by the members, to wit:
 - a. the minimum equity share by the members that the Cooperative will require the members to pay in the amount of Five Hundred Pesos (P500.00).
 - b. contributions that the Cooperative may require the members to pay in the future.

2. The par value of each share shall be One Hundred Pesos (PhP100.00).

3. Both existing and new members may acquire as many shares as they can if the Cooperative decides to issue shares for a particular period pursuant to limitations on the number of shares as provided in by the Philippine Cooperative Code of 2008 (Republic Act 9520).

SECTION 3. LIMITED LIABILITY for DEBTS of the COOPERATIVE

The private property of the member shall be exempted from execution for the satisfaction of the liabilities and debts of the Cooperative; the liability of the member shall be limited to his/her subscribed capital.

ARTICLE IV THE GENERAL ASSEMBLY

Section 1. THE GENERAL ASSEMBLY (GA)

The General Assembly shall be the highest policy-making body of BENEKO; it is composed of all the members who are entitled to vote duly assembled and constituting a quorum.

Section 2. POWERS OF THE GENERAL ASSEMBLY

Subject to the pertinent provisions of the Philippine Cooperative Code of 2008 (Republic Act 9520) and the rules issued thereunder, the General Assembly shall have the following exclusive powers which cannot be delegated:

1. to determine and approve amendments to the Articles of Cooperation or these By-Laws
2. to approve the Development Plans
3. to elect or appoint the members of the Board of Directors, and to remove them for cause;
4. to elect or appoint the members of the Audit Committee and the Election Committee and to remove them for cause to be determined by the Board by way of a policy.

Section 3. MEETINGS

Meetings of the General Assembly may be regular or special. All proceedings and business(es) undertaken at any meeting of the General Assembly, if within the powers or authority of the Cooperative, there being a quorum, shall be valid. Meetings can be conducted online (**including zoom**)

Regular and institutional members through their authorized representatives required to attend the meetings for the purpose of exercising all the rights and performing all the obligations pertaining to them, as provided by the Code, Articles of Cooperation and ByLaws.

Section 4. REGULAR GENERAL ASSEMBLY

The General Assembly shall be held sequentially every 1st, 2nd and 3rd Saturday of June and every year thereafter at such date and place within the service area of the Cooperative as selected by the Board which shall be designated in the notice of meeting; it shall be the responsibility of the Board to make adequate plans and preparations for the annual meetings.

Section 5. SPECIAL GENERAL ASSEMBLY

The Board of Directors may, by a majority vote of all its members, call a special general assembly meeting at any time to consider urgent matters requiring immediate membership decision. The Board of Directors must likewise call a special general assembly meeting within one (1) month from receipt of a written request from:

- a. at least ten percent (10%) of the total number of members entitled to vote;
- b. the Audit Committee;
- c. the Federation or Union to which the Cooperative is a member; or
- d. upon Order of the Cooperative Development Authority.

Section 6. NOTICE OF MEETING

Written notice stating the purpose, place, day and hour of the meeting and --- in case of a special general assembly or regular general assembly at which business requiring special notice is to be transferred is called --- shall be delivered not less than ten (10) days or more than twenty-five (25) days before the date of meeting, either personally or by mail and also electronic mail and/or posting at authorized social media pages and website of the electric cooperative or thru electronic transmission, by the Secretary or upon the failure to do same, by persons calling the meeting; if mailed, such notice shall be deemed to be delivered when deposited in the Philippine mail, addressed to the member at his address as it appears on the records of the Cooperative, with postage thereupon prepaid; where practical and necessary, broadcast media may be availed of.

Section 7. ORDER OF BUSINESS

The Order of Business at annual meeting of the members and, so far as possible, at all other meetings of the members, shall be essentially as follows --- except as otherwise determined by the members at such meeting:

1. Report on the number of members present in person in order to determine the existence of a quorum.
2. Reading of the Notice of Meeting and the proof of due publication or mailing thereof or the waiver or waivers or notice of the meeting, as the case may be.
3. Reading of unapproved minutes of the previous meeting of members and the taking of necessary action thereon.
4. Presentation and consideration of the reports of the officers, the managers and the committees,
5. Unfinished business.
6. New business (e.g., approval of the budget and annual development plan / approval of the report of the external auditor).
7. Adjournment.

SECTION 8. QUORUM

A quorum for the transaction of business in all meetings of the members of BENECO shall be five percent (5%) of all members who are entitled to vote or 1000 members for every venue who are entitled to vote, whichever is lower including registered online; if less than a quorum is present at any meeting, a majority of those present may adjourn the meeting from time-to-time without further notice.

The minutes of each meeting shall contain a list of the members present in person.

Failure to obtain a quorum at an annual membership meeting shall not prevent a member of the Board duly-elected at a District meeting from taking office.

SECTION 9. VOTING SYSTEM

Only **REGULAR MEMBERS** entitled to vote shall be qualified to participate and vote in any annual/special General Assembly meeting; each member is entitled to one vote only regardless of the number of accounts to his name.

Election of Committee members shall be in accordance with the election guidelines. Action on all matters shall be in any manner that will truly and correctly reflect the will of the membership; no proxy and/or cumulative voting shall be allowed. Electronic voting is allowed during the general assembly or special assembly.

**ARTICLE V
DISTRICT ELECTIONS AND MEETINGS**

SECTION 1. REDISTRICTING

In case the integration of additional barangay/s, municipality/ies, or city/ies would require a redistricting of the territory in order that all will be duly and equitably represented in the Board, the Board shall subject it to the approval of the General or Special Assembly and undertake a redistricting thereof in accordance with the following criteria:

1. Each District shall be composed of barangays or municipalities or cities or portion thereof that are adjacent to each other geographically and are interconnected by roads and/or other means of transportation facilities.
2. The number of members or potential members in each District shall be as much as possible be equal.
3. Each district shall to the extent possible fall within the same Congressional district.
4. The redistricting shall take effect upon its ratification by the General Assembly.

SECTION 2. VOTE LIMITATION IN DISTRICT ELECTIONS

Each member present at a District election shall only be entitled to only ONE (1) VOTE regardless of his/her multiple connections and share capital contributions; no member shall be permitted to vote by proxy or by mail at any District election.

SECTION 3. DISTRICT ASSEMBLY or MEETINGS

A District assembly or meeting may be called for the purpose of discussing issues and problems affecting a certain District. The District meeting maybe called by a resolution of the Board of Directors or five percent (5%) of all members entitled to vote of the said district. The Chairman (or in his incapacity or absence, the Vice Chairman) shall act as the Presiding Officer. The Secretary to the Board shall record the proceedings of the said meeting and together with the concerned Board of Directors shall certify said proceedings to the Board.

SECTION 4. NOTICE of DISTRICT ASSEMBLY or MEETINGS

Written notice of District meeting/s stating the purpose, place, date and time shall be made not less than SEVEN (7) DAYS before the date of each meeting, through a publication in a paper of local circulation, posting of notices and streamers in conspicuous places or broadcast media.

SECTION 5. QUORUM in DISTRICT ASSEMBLY or MEETINGS

Five percent (5%) of all members entitled to vote in the District shall constitute a quorum for the transaction of business at a district meeting; if less than a quorum at any District meeting, a majority of those present in person may adjourn the meeting from time to time without further notice.

**ARTICLE VI
BOARD of DIRECTORS**

Section 1. COMPOSITION

The Board of Directors shall be composed of 11 members.

SECTION 2. FUNCTIONS of the BOARD of DIRECTORS

The Board of Directors shall be the policy-making body of the electric cooperative.

It shall

- a. Provide over-all policy direction;
- b. Formulate development plan;
- c. Review the annual plan and budget and recommend for the approval of the General/Representative Assembly;
- d. Evaluate the capability and qualification and recommend for the approval of the General/Representative Assembly the engagements of the services of an External Auditor;

- e. Appoint and terminate, based on just cause, the General Manager or Chief Executive Officer (CEO);
- f. Review, monitor and evaluate the effectiveness of the programs, projects and activities;
- g. Formulate and review the vision, mission and goals of the cooperative;
- h. Establish risk management system;
- i. Establish performance evaluation system at all levels;
- j. Review and approve the organizational and operational structures;
- k. Establish policies and procedures for the effective operation and ensure proper implementation of such;
- l. Appoint the members of the Mediation and Conciliation Committee, Ethics Committee, Education and Training Committee and other Officers as specified in the Code and By-laws of the cooperative;
- m. Decide election-related cases involving the Election Committee and its members;
- n. Act on the recommendation of the Ethics Committee on cases involving violations of the Code of Governance and Ethical Standards;
- o. Ensure compliance by the cooperative with the regulations of the Authority and other statutory requirements of appropriate government agencies;
- p. Report to the general/representative assembly the performance and achievements of the cooperative;
- q. Present to the general/representative assembly policies which require confirmation as provided under the law, the cooperative by-laws, and regulations;
- r. Present to the general/representative assembly the financial, social and performance reports; and
- s. Perform such other functions as may be prescribed in the By-laws or authorized by the General/Representative Assembly.

SECTION 3. REQUIREMENTS for the FILING of CERTIFICATE of CANDIDACY

1. Duly-accomplished and notarized Certificate of Candidacy (3 copies) with three (3) copies of 2" x 2" picture.
2. Court clearance (municipal/regional).
3. Photocopy of Tax Identification Number (TIN).
4. Birth Certificate (Philippine Statistics Authority or PSA).
5. Barangay Captain's certification that the candidate is an actual resident for the last two (2) years of the barangay/district he/she seeks to represent.
6. Certification from the Commission on Elections (COMELEC) that he/she was not a candidate in any election immediately preceding the District election.
7. Transcript of Records or diploma (graduate of a four-year course)
8. Certificate of Good Moral Character issued by any of the following: Barangay, National Bureau of Investigation (NBI), Philippine National Police (PNP), leader of religious sect where the candidate is affiliated.
9. Certification from the electric cooperative
 - a. that the candidate is a bona fide member-consumer of the Cooperative in the District he/she seeks to represent for the last five (5) years and actual consumer for the last two (2) years
 - b. that the candidate is a member of the Cooperative in good standing

SECTION 4. QUALIFICATIONS

For this purpose, the minimum qualifications of a Director or officer of the Cooperative shall be as follows:

1. has paid the minimum subscribed capital share requirement before the filing of candidacy;
2. he or she is a Filipino citizen
3. he or she is a graduate of a four- (4) year course
4. twenty-one (21) of age and above at the time of his/her election
5. He or she is of good moral character.
6. He or she is a member of BENEKO in good standing for the last five (5) years immediately preceding the election or appointment.
7. He or she is an actual resident and consumer in the district that he or she seeks to represent for at least two (2) years immediately preceding the election; and

8. He or she has attended at least three (3) Annual Regular General Assembly Meeting (ARGAM) for the last five (5) years immediately preceding the election or appointment.

SECTION 5. DISQUALIFICATIONS

To ensure the long-term business and economic viability of electric cooperatives, the management/operations/strategic planning of electric cooperatives shall --- as much as possible --- be insulated from local politics; towards this end, no person shall be elected or appointed as an officer or be eligible to run as Board member of an electric cooperative if:

1. Such person or his or her spouse hold any public office;
2. Such person or his or her spouse has been a candidate in the last preceding local or national elections;
3. Such person has been convicted by final judgment of a crime involving moral turpitude;
4. Such person has been terminated for cause from public office or private employment;
5. Such person is related to any member of the Cooperative's Board of Directors, the General Manager and the Department Managers within the fourth civil degree of consanguinity or affinity;
6. Such person is a representative of a juridical person; and,
7. Such person is employed by or financially-interested in a competing enterprise or a business selling electric energy or electrical hardware to the Cooperative or doing business with the Cooperative --- including the use or rental of poles.
8. Holding any elective position in the government, except that of a party list representative being an officer of a Cooperative he/she represents.

Section 6. PROCEDURE FOR DISQUALIFICATIONS

The procedure for disqualification shall be provided in the election guidelines or policy of the Cooperative.

Section 7. ELECTION OF DIRECTORS

The members of the Board of Directors shall be elected by secret ballot from each district by members entitled to vote. Unless earlier removed for cause, or have resigned or become incapacitated, they shall hold office for a term not exceeding three (3) years or until their successors shall have been elected and qualified, however, they shall be eligible for two (2) successive re-election.

a. SCHEDULE of ELECTION

The election of the Members of the Board shall be conducted every three (3) years on the last Saturday of October.

The Board members representing THREE (3) Districts of Baguio and THREE (3) Districts of Benguet shall be elected and compose the first half of the Board while the second half shall be composed of the remaining THREE (3) Districts of Baguio and TWO (2) Districts of Benguet who shall all serve for THREE (3) YEARS.

The newly-elected Board of Directors from the Districts as presented below (sub-section b) shall take their oath of office and shall assume on the first day of January.

b. COMPOSITION OF THE DISTRICTS

District I [Baguio City]	Cabinet Hill – Teachers Camp, Marcoville, Engineers Hill, DPS Compound, South Drive, Greenwater, Military Cutoff, Hillside, Sta. Escolastica, Scout Barrio, Upper Dagsian, Lower Dagsian, Gabriela Silang, Atok Trail, Loakan-Apugan, Camp 8, Baguio Country Club, Happy Hallow, Outlook Drive, Lucnab, Mines View, Pucsusan, Gibraltar, Lualhati, Pacdal and St. Joseph Village
District II [Baguio City]	PMA Fort del Pilar, Kias, Loakan-Liwanag, Loakan Proper, Camp 7, Poliwes, San Vicente, BGH Compound, Phil-Am, Imelda Marcos, Balsigan, SLU-SVP, Bakakeng Norte/Sur, Bakakeng Central, Sto. Tomas Proper, Dontogan and Sto. Tomas School Area

District III [Baguio City]	Rizal Monument, Burnham-Legarda, AZCKO, Kayang Extension, Palma-Urbano, MRR Queen of Peace, Lourdes Extension, Lower Lourdes Subd., Lourdes Proper, Dominican-Mirador, San Roque, San Luis, Asin Road, Upper Rock Quarry, Middle Rock Quarry, Lower Rock Quarry, City Camp Central, City Camp Proper, Lower QM Subd., Upper QM Subd., Ferdinand and Sto. Rosario Village
District IV [Baguio City]	Camp Allen, Crescencia Village, Andres Bonifacio, Guisad Central, Guisad Surong, Pinget, Pinsao Pilot Project, Pinsao Proper, Fairview, Quezon Hill Proper, Middle Quezon Hill, Upper Quezon Hill, Victoria Village, Campo Filipino and Irisan
District V [Baguio City]	T. Alonzo, New Lucban, ABCR, P. Zamora, Kayang-Hilltop, Upper City Market, P. Burgos, Upper Magsaysay, Sto. Niño-Slaughterhouse, Magsaysay Private Road, Lower Magsaysay, A. Tabora, Happy Homes-Lucban, Dizon Subd., Camdas Subd., Lower Quirino Hill, Middle Quirino Hill, East-Quirino Hill and West Quirino Hill
District VI [Baguio City]	Salud Mitra, Kagitingan, Trancoville, South Sanitary Camp, North Sanitary Camp, Lopez Jaena, Aurora Hill Proper, North Central Aurora Hill, South Aurora Hill, Bayan Park Village, San Antonio Village, Ambiong, Brookspoint, West Bayan Park, East Bayan Park, West Modern Site, East Modern Site, Brookside, Imelda Village, M. Roxas-Teachers Camp, Leonila Hill, Holyghost Extension, Holyghost Proper, Honeymoon-Holyghost, Upper General Luna, Lower General Luna, Kabayanihan, Session Rd., Harrison-Carantes and Malcolm Square
District VII	La Trinidad
District VIII	Itogon, Kabayan and Bokod
District IX	Sablan and Tuba
District X	Atok, Kapangan, Kibungan and Tublay
District XI	Buguias, Mankayan and Bakun

c. GOVERNING RULES FOR THE ELECTION

The conduct of the District elections shall be governed by the districting and the election guidelines passed by the Election Committee and as duly-approved by the General Assembly (GA).

d. TERM OF OFFICE

The term of office of a regularly-elected member of the Board of Directors shall be three (3) years; such member shall be entitled to only three (3) consecutive terms or tenure.

SECTION 9. ELECTION of OFFICERS AMONG THE BOARD

A meeting of the Board shall be held within TEN (10) DAYS (after all members shall have taken their oath of office) to elect among themselves the Chairperson and the Vice Chairperson. Their election shall be held every THREE (3) YEARS.

For committees elected by the General Assembly and/or appointed by the Board of Directors, procedural process of electing the Chairperson, Vice Chairperson or other positions among themselves should be in accordance with the process mentioned above.

SECTION 10. COMPENSATION

The members of the Board of Directors shall not receive any salary from BENEKO for their services as such --- except for reasonable per diems, allowances and other benefits based on applicable laws or as approved by the General Assembly (GA)

The expenses of the members of the Board of Directors carrying out BENEKO business authorized by the Board shall be paid by the cooperative --- subject to existing policies or guidelines, rules and regulations of BENEKO and other laws, rules and regulations issued by concerned authority/ies or agency/ies; reimbursements shall not be allowed.

SECTION 11. BOARD MEETINGS

In order to effectively transact their business, the Board shall have their regular meetings thrice a month and/or committee and consultative meetings, as necessary.

When necessary, special meetings and/or consultative meetings may be called by the Chairman or in his absence, by the Vice Chairman, or by a majority of the Directors when necessary.

The Secretary shall ensure that notice of meeting is received by every member at least three (3) days before the intended meeting, either by personal service, registered mail, or electronic communication; the notice of meeting shall include the time, place, date, and necessary documents on matters to be taken up.

Directors cannot attend or vote by proxy at Board meetings.

The Presiding Officer may not vote --- except in any case but to break a tie.

SECTION 12. QUORUM

Majority of the members of the Board of Directors present in a regular or special meeting shall constitute a QUORUM for the Board to validly transact business.

The act of the majority of the Board present at a meeting at which a quorum is present shall be the act of the Board.

SECTION 13. VACANCY

Any vacancy occurring in the Board of Directors --- by reason of death, illness, incapacity, disqualification, removal, resignation and other similar causes --- may be filled-up by a majority of vote by the remaining Directors, if still constituting a quorum; otherwise, such vacancy shall be filled-up through a Special District Election.

- i. if the remaining term of office where the vacancy occurs is less than one (1) year, the Board shall appoint from among the members who shall serve on a "care-taker" capacity the remaining term of office or tenure.
- ii. if the remaining term of office where the vacancy occurs is more than one (1) year, the Board shall appoint a qualified member-consumer-owner from the District where the vacancy occurred and shall serve the remaining term of office or tenure.

The appointed Director shall serve only for the unexpired term of his/her predecessor.

The qualifications and disqualifications of an elected Director shall be applied to the appointed Director; an appointed Director shall not be reappointed anymore in cases of future vacancies.

SECTION 14. REMOVAL of ELECTED and BOARD-APPOINTED OFFICERS

Any officer appointed may be removed by the Board on the following grounds:

- a. any act inimical to the best interest of BENEKO
- b. loss of trust and confidence
- c. commission of a crime involving moral turpitude

All complaints for the removal of any elected officer shall be filed with the Board of Directors and such officer shall be given the opportunity to be heard. Majority of the Board of Directors may place the officer concerned under preventive suspension pending the resolution of the investigation. Upon finding of a prima facie evidence of guilt, the Board of Directors shall present its recommendation for removal to the General Assembly. For this purpose, the Board of Directors shall provide a policy on suspension in consultation with the Ethics Committee subject to the approval of the General Assembly.

An elective officer may be removed by three-fourths ($\frac{3}{4}$) of the regular members present and constituting a quorum, in a Regular or Special General Assembly meeting called for the purpose. The officer concerned shall be given the opportunity to be heard at said assembly. The decision of the General Assembly on the matter is final and executory.

In cases where the officers sought to be removed consist of the majority of the Board of Directors, at least 10% of the members with voting rights may file a petition with the CDA to call a Special General Assembly meeting for the purpose of removing the Board of Directors /s upon failure of the Board of Directors to call an assembly meeting to commence the proceeding for their removal.

An officer appointed by the Board of Directors may be removed from office for cause by a majority vote of all the members of the Board of Directors.

Section 15. PROHIBITIONS

Any member of the Board of Directors shall not hold any other position directly involved in the day-to-day operation and management of the Cooperative nor engage in any business similar to that of the Cooperative or who in any way has a conflict of interest with it.

The extent of conflict of interest shall be clearly defined in the policy of the Cooperative.

SECTION 16. COMPLAINTS AGAINST A DIRECTOR or OFFICER of the COOPERATIVE

Complaints against any member of the Board shall be brought before the General Assembly for resolution. For the General Manager, it shall be filed before the Board of Directors. The General Manager shall act on the complaints against Department Managers and the members of the Bids and Awards Committee [BAC] based on the provisions of the Code of Ethics.

SECTION 17. DISLOYALTY OF a DIRECTOR

A Director who, by virtue of his office, acquires for himself an opportunity which would belong to BENECO, shall be liable for damages and must account for double the profits that otherwise would have accrued to BENECO by refunding the same, unless his act has been ratified by a three-fourth (3/4) vote of all the members with voting rights, present and constituting a quorum.

This provision shall be applicable, notwithstanding the fact that the Director used his own funds in venture.

ARTICLE VII COMMITTEES of the COOPERATIVE

SECTION 1. COMMITTEES

BENECO shall have the following standing committees:

1. Audit Committee
2. Election Committee
3. Education and Training Committee
4. Mediation and Conciliation Committee
5. Ethics Committee
6. Gender and Development Committee

SECTION 2. AUDIT COMMITTEE

An **AUDIT COMMITTEE** is hereby created and shall be composed of five (5) members for a term of three (3) years to be elected during a General Assembly meeting and shall hold office until their successors shall have been elected and qualified.

Within ten (10) days after their election, they shall elect from among themselves as a Chairperson, a Vice-Chairperson and a Secretary; no member of the committee shall hold any other position within the BENECO during his term of office.

The **AUDIT COMMITTEE** shall:

1. monitor the adequacy and effectiveness of the management and control system of BENECO;
2. audit the performance of BENECO and its various responsibility centers;

3. review the books of account and other financial records to ensure that these are in accordance with cooperative principles and generally-accepted accounting procedures;
4. submit reports on the result of the audit and recommend necessary changes on policies and other related matters on operation to the Board of Directors and the General Assembly; and,
5. perform such other functions as may be prescribed in the by-laws or authorized by the General Assembly.

SECTION 3. ELECTION COMMITTEE (ELECOM)

An **ELECTION COMMITTEE** is hereby created and shall be composed of three (3) members to be elected during a General Assembly meeting and shall hold office until the election of the Directors for the District of Baguio City and Benguet. They shall serve for three (3) years.

The **ELECTION COMMITTEE** shall:

1. formulate election rules and guidelines and recommend to the General Assembly for approval.
2. implement election rules and guidelines duly-approved by the General Assembly.
3. recommend necessary amendments to the election rules and guidelines, in consultation with the Board of Directors, for approval of the General Assembly.
4. supervise the conduct, manner and procedure of election and other election-related activities and act on the changes thereto in close coordination with the Institutional Services Department (ISD) of BENECO subject to the election guidelines.
5. canvass and certify the results of the election as submitted by the District Election Committee (DECOM) subject to the election guidelines.
6. proclaim the winning candidates.
7. decide election and other related cases except those involving the Election Committee or its members.
8. perform such other functions as prescribed in the by-laws or authorized by the General Assembly; the conduct of elections shall be pursued in accordance with the election guidelines to be promulgated.

SECTION 4. EDUCATION and TRAINING COMMITTEE

The **EDUCATION and TRAINING COMMITTEE** shall be composed of three (3) members to be appointed by the Board of Directors and shall serve for a term of three (3) years

It shall be responsible for the planning and implementation of the promotion, education and training activities of BENECO.

The Education and Training Committee shall:

1. assist in keeping members, officers, staff well-informed regarding cooperative's goals/objectives, policies and procedures, services, etc.;
2. assist in planning and implement educational program for coop members, officers and staff;
3. assist in developing promotional and training materials for the Cooperative; and
4. assist in conducting/Coordinating training activities.

SECTION 5. MEDIATION and CONCILIATION COMMITTEE

A **MEDIATION and CONCILIATION COMMITTEE** is hereby created and shall be composed of three (3) members who shall be appointed by the Board of Directors and shall serve for a term of one (1) year.

It shall have the power to facilitate or coordinate the amicable settlement of intra-cooperative disputes and any disputes arising between, by and among member consumers, directors, officers and/or committee members and employees.

The **MEDIATION and CONCILIATION COMMITTEE** shall:

1. conduct mediation-conciliation proceedings and services;
2. formulate and develop the conciliation-mediation program and ensure that it is properly implemented;
3. monitor conciliation-mediation programs and processes;
4. submit semi-annual reports of cooperative cases to the Cooperative Development Authority (CDA) within fifteen (15) days after the end of every semester;
5. accept and file evaluation reports;
6. submit recommendations for improvements to the Board of Directors;
7. recommend to the Board any member of BENEKO for conciliation-mediation training as cooperative conciliator-mediator;
8. issue the Certificate of Non-Settlement (CNS);
9. Act as conciliator-mediator during their term, provided the persons who will mediate are mutually selected by both parties; and
10. perform such other functions as may be prescribed in these by-laws or authorized by the General Assembly.

SECTION 6. ETHICS COMMITTEE

The **ETHICS COMMITTEE** shall be composed of three (3) members to be appointed by the Board of Directors for a term of one (1) year or until their successors shall have been appointed and qualified and without prejudice to their reappointment. No member of the Committee shall hold any other position in the Cooperative during his/her term of office.

It shall:

1. develop a Code of Governance and Ethical Standards to be observed by the members, officers and employees of BENEKO subject to the approval of the Board of Directors and ratification by the General Assembly;
2. disseminate, promote and implement the approved Code of Governance and Ethical Standards;
3. monitor compliance with the Code of Governance and Ethical Standards and recommend to the Board of Directors measures to address the gap, if any;
4. conduct initial investigation or inquiry upon receipt of a compliance involving Code of Governance and Ethical Standards and submit report to the Board together with the appropriate sanctions;
5. recommend ethical rules and policy to the Board of Directors;
6. perform such other functions as may be prescribed in these by-laws or authorized by the General Assembly.

SECTION 7. GENDER AND DEVELOPMENT (GAD) COMMITTEE

The Gender and Development (GAD) Committee shall be composed of three (3) members to be appointed by the Board of Directors provided that at least one member shall come from the Board. The Committee shall elect from among themselves a Chairperson. The Committee members shall hold office until replaced by the Board.

The Gender and Development (GAD) Committee shall

1. Conduct gender analysis;
2. Develop and recommend Gender and Development (GAD) and Gender Equality (GE) policies and programs/activities/projects to the Board;
3. Monitor and assess progress in the implementation of Gender and Development (GAD) programs/activities/projects towards achieving Gender Equality (GE);
4. Submit report to the Board; and
5. Provide directional guidance.

SECTION 8. OTHER COMMITTEES

The Board, by a majority of all its members, may form and create such other committees that may be required by the business and operation of BENEKO; their powers and functions shall be defined by the Board.

The existence of the different committees, however, shall not mean to divest, supplant or take over the functions of the finance, audit and other offices on the side of the management organized pursuant to the approved Table of Organization; the functions of the committees as herein defined shall be exercised merely as an oversight function.

The creation of the Ethics Committee and the Mediation Committee, however, shall not mean to render as ineffectual the provisions of the BENEKO Code of Ethics and Discipline concerning employee discipline.

SECTION 9. COMPENSATION and VACANCY in the COMMITTEE

Each member of the Committee shall be entitled to a reasonable per diem which shall be determined and approved by the Board subject to the availability of funds of the Cooperative; other pertinent laws, rules and regulations issued by concerned authority or agency.

In case of vacancy in the Committee, the Board may call an election for the Audit Committee and the Election Committee from among the members to fill the vacancy --- subject to the provisions that a member elected or appointed shall serve only the unexpired portion of the term; filling-up of vacancy for Audit Committee and the Election Committee shall be held in accordance with the Cooperative Election Guidelines.

SECTION 10. QUALIFICATIONS and DISQUALIFICATIONS

For this purpose, the minimum qualifications of a Committee Member or Officer shall be as follows:

- a. Has paid the minimum subscribed capital share requirement of twenty (20) shares equivalent to Two thousand pesos (P2,000.00) upon filing of candidacy (FOR ELECOM AND AUDITCOM) or prior to the appointment (FOR OTHER COMMITTEES)
- b. a Filipino Citizen
- c. twenty-one (21) of age and above at the time of his/her election or appointment
- d. of GOOD MORAL Character
- e. a member of BENEKO in good standing for the last two (2) years immediately preceding the election or appointment
- f. has attended at least two (2) general assemblies, Annual Regular General Assembly Meeting (ARGAM) or Special Assembly, for the last five (5) years immediately preceding the election or appointment.

In addition to the above minimum requirements, the following are the additional requirements for the following COMMITTEES:

A. ELECTION COMMITTEE (ELECOM)

- a. Must be a college graduate or its equivalent (at least 2 years' experience in governance), knowledge or involvement in community services, governance and have a basic knowledge of parliamentary procedures

B. AUDIT COMMITTEE (AUDITCOM)

- a. Must be a graduate of Accountancy, Business or Management or Industrial Engineering, preferably a CPA and with a least two (2) years of auditing experience (preferably in auditing an electric cooperative/company), Performance Management Experiences and Social or Community Relation engagement experiences.

C. ALL OTHER COMMITTEES

- a. Must be a graduate of a four (4) year course or at least 2nd year college or its equivalent for Technical/Vocational Courses with four (4) year experience in his/her related field.

Any candidate who does not meet the above requirements shall be automatically disqualified. Additionally, the provisions cited on Article VI Section 5 shall apply to ALL the committee members, including the procedure of disqualifications cited on Article VI Section 6 of the Cooperatives' By-Laws for ELECTED Committee Members.

SECTION 11. REQUIREMENTS FOR ELECTED CANDIDATE

a. ELECTED COMMITTEE MEMBERS (ELECOM and AUDITCOM)

1. Duly-accomplished and notarized Certificate of Candidacy (3 copies) with three (3) copies of 2" x 2" picture.
2. Court clearance (municipal/regional).
3. Photocopy of Tax Identification Number (TIN).
4. Birth Certificate (Philippine Statistics Authority or PSA).
5. Barangay Captain's certification that the candidate is an actual resident for the last two (2) years
7. Transcript of Records or diploma (graduate of a four-year course)
8. Certificate of Good Moral Character issued by any of the following: Barangay, National Bureau of Investigation (NBI), Philippine National Police (PNP), leader of religious sect where the candidate is affiliated.
9. Certification from the electric cooperative

- a. that the candidate is a bona fide member-consumer of the Cooperative for at least two (2) years
- b. that the candidate is a member of the Cooperative in good standing

b. APPOINTED COMMITTEE MEMBERS

1. Follow existing policies or guidelines of BENEKO Adopt the disqualification with the Board

**ARTICLE VIII
OFFICERS and MANAGEMENT of the COOPERATIVE**

SECTION 1. OFFICERS

The officers of the cooperative shall include the Members of the Board of Directors, Members of the Different Committees created by the general assembly, General Manager/Chief Executive Officer, Secretary and Treasurer who shall serve according to the functions and responsibilities of their respective offices.

The Board of Directors shall elect from among themselves a Chairperson, the Vice Chairperson and the Secretary and other officers deemed necessary from among its rank; the manner and procedure of the election shall be governed by the internal rules to be promulgated by the Board.

• **The CHAIRPERSON**

The Chairperson shall:

1. set the agenda for the meetings of the Board --- in coordination with the other members of the Board;
2. preside over all meetings of the Board of Directors and of the General Assembly;
3. sign contracts, agreements, certificates and other documents on behalf of BENEKO as authorized by the Board of Directors or by the General Assembly;
4. sign, with the Secretary, certificates of membership and certificates of share and by authority by the Board of the members, may sign any deed, mortgage, deed of trust, note, bond, contract or other instruments authorized by the Board to be executed --- except in cases in which the signing and execution thereof shall be expressly delegated by the Board or by these by-laws to some other officers and agents of the cooperative or shall be required by law to be otherwise signed or executed.

• **VICE-CHAIRPERSON**

The Vice-Chairperson shall:

1. Perform all duties and functions of the Chairperson in the absence of the latter; and
2. Perform such other duties as may be delegated to him/her by the Board of Directors.

• **TREASURER / FINANCE OFFICER**

The Treasurer shall:

1. Ensure that all cash collections are deposited in accordance with the policies set by the Board of Directors;
2. Have custody of funds, securities, and documentations relating to assets, liabilities, income and expenditures;
3. Monitor and review the financial management operations of the Cooperative, subject to such limitations and control as may be prescribed by the Board of Directors;
4. Ensure the maintenance of full and complete records of cash transactions;
5. Ensure maintenance of a Petty Cash Fund;
6. Maintain a Daily Cash Position Report; and
7. Perform such other functions as may be prescribed in the By-laws or authorized by the Board of Directors.

- **SECRETARY**

The Secretary shall:

1. Keep an updated and complete registry of all members;
2. Record, prepare and maintain records of all minutes of meetings of the Board of Directors and the General/Representative Assembly;
3. Ensure that the necessary actions and decisions of the Board of Directors are transmitted to the management for compliance and implementation;
4. Issue and certify the list of members who are entitled to vote as determined by the Board of Directors;
5. Prepare and issue Share Certificates and maintain the share and transfer book;
6. Serve notice of all meetings called and certify the presence of quorum in the conduct of all meetings of the Board of Directors and the General/Representative Assembly;
7. Keep copies of the Treasurer's reports and other reports;
8. Serve as custodian of the Cooperative seal; and
9. Perform such other functions as may be prescribed in the By-laws or authorized by the Board of Directors.

- **The GENERAL MANAGER**

The General Manager shall:

1. be the overall in-charge of all the phases of the business operations of BENECA --- subject to the policies and guidelines set by the Board of Directors and/or General Assembly.
2. be responsible in maintaining records and accounts of BENECA in such manner that the true condition of its business may be ascertained therefrom at any time;
3. render reports monthly, annually or as may be required by the Board or the General Assembly and preserve the books, documents, correspondence and records of whatever nature concerning the operations of BENECA which may come into his possession.
4. subject to the policies set by the Board, employ, supervise and/or dismiss any agent or employee in the management staff.
5. Represent the Cooperative in any cases, agreement, contract, business dealing, and in any other official business transaction as authorized by the Board of Directors;
6. Ensure compliance with all administrative and other requirements of regulatory bodies; and
7. perform such other duties as the Board may prescribe and turn over to his successor all properties belonging to BENECA in his possession or over which he has control upon the expiration / termination of his services,

SECTION 2. LIABILITIES of DIRECTORS, OFFICERS and COMMITTEE MEMBERS

Directors and officers who willfully and knowingly vote for or assent to patently unlawful acts are guilty of gross negligence or bad faith in directing the affairs of BENECA.

Directors and officers who acquire any personal or pecuniary interest in conflict with their duties as committee members shall be liable jointly and severally for all damages or profits resulting there from to the prejudice of BENECA, members and other persons.

When a Director or officer, in violation of his duty, attempts to acquire any interest or equity adverse to BENECECO in respect to any matter which has been reposed in him in confidence, he -- as a trustee for BENECECO --- shall be liable for the damages and shall be accountable for double the profits which otherwise would have accrued to BENECECO, subject to the due process of law.

Committee members, who willfully and knowingly vote for or assent to patently unlawful acts who are guilty of gross negligence or bad faith in directing the affairs of BENECECO or acquire any personal or pecuniary interest in conflict with their duties as such committee members, shall be liable jointly and severally for all damages or profits resulting there from to the prejudice of BENECECO, members and other persons.

When a committee member, in violation of his duty, attempts to acquire or acquires any interest or equity averse to BENECECO in respect to any matter which has been reposed in him in confidence, he shall --- as a trustee for BENECECO --- be liable for the damages and shall be accountable for double the profits which otherwise would have accrued to BENECECO subject to the due process of law.

SECTION 3. QUALIFICATIONS of the GENERAL MANAGER

The General Manager shall be appointed by the Board of Directors for the management of BENECECO in conformance with the guidelines established by these by-laws.

No incumbent member of the Board may hold or apply for the position of a General Manager, Department Manager or any other position in the electric cooperative.

A Director can apply for the position of a General Manager, Department Manager or any other position in the electric cooperative only after THREE (3) YEARS from the expiration or termination of his term.

The General Manager shall have the following qualifications and none of the disqualifications herein set forth:

1. Applicant must have a bachelor's degree in any of the following:
 - Engineering (preferably Electrical, Mechanical and Electronics and Communications Engineer)
 - Business Administration/Finance Management
 - Accountancy
 - Behavioral Science
2. Completion of post graduate degree or its equivalent, or with master's degree/s is preferable
3. Must have at least five (5) years supervisory experience and must be willing to relocate with his family in the coop headquarters site.
4. Trainings/seminars in any or all for the following areas:
 - Electric Cooperative Principles Supervision and/or Management
 - Strategic Planning/Organization and Operation of Business Enterprises
 - Values Enhancement and Leadership Trainings
 - Resource Utilization, Development and Management
 - Corporate Governance
 - Energy Management
 - Technology Management
5. Skills Required
 - Communication Proficiency (Oral and Written)
 - Computer Literacy
 - Networking Ability
 - Effective Public Relations
6. Work Experiences
 - At least five (5) year experience with proven track record in the effective management of a successful electric utility-related business enterprise.
 - Must have held at least two or more senior management positions involving business leadership or managerial functions.

- Must have no derogatory or adverse administrative record in any of his/her previous employment/s.
7. **Personality and Character**
 - Sound Physical and Mental Disposition
 - Strong Leadership Qualities
 - Ability to Withstand Pressure

 - Pragmatic and Productive Outlook in Work
 - High Sense of Integrity
 - Logical Reasoning and Judgment
 - Enthusiastic and Innovative Work Attitude
 - Profound Values in Humility and Honesty
 8. He or she is a member of the electric cooperative in good standing for the last five (5) years
 9. Not engaged directly or indirectly in any business similar to that being undertaken by BENEKO
 10. Must not have been convicted of any criminal case involving crime of moral turpitude or must not have been dismissed administratively from previous employment.
 11. Must be willing to undergo pre-service and in-service training programs as directed by the Board or by the Cooperative Development Authority (CDA)

SECTION 4. BONDS of OFFICERS

The Treasurer / Finance officer and any other officer or agent of the cooperative charged with the responsibility for the custody of any of its funds or property shall be bonded in such a sum as the Board shall determine. The Board, in its discretion, may also require any other officer, agents or employees of the cooperative to be bonded in such amount as it shall determine.

**ARTICLE IX
CAPITAL STRUCTURE**

SECTION 1. SOURCE of FUNDS

BENEKO shall derive its fund from:

1. Share capital of members;
2. Revolving capital which consists of the deferred payment of patronage refunds, or interests on share capital;
3. Capital reserve;
4. Loans and borrowings including deposits;
5. Subsidies, donations, legacies, grants, aids and such other assistance from any local or foreign institution whether public or private; provided that capital coming from such subsidies, donations, legacies, grants, aids and other assistance shall not be divided into individual share capital holdings at any time but shall instead from part of the donated capital or fund of BENEKO;
6. Other sources of funds as may be authorized by law.

SECTION 2. CONTINUOUS CAPITAL BUILD-UP

Every member shall have invested in any or all of the following:

- a. At least One Hundred Pesos (P100.00) per month.

SECTION 3. BORROWING

The Board of Directors, upon approval of the General Assembly, may borrow funds from any source, local or foreign, under such terms and conditions that best serve the interest of the Cooperative except for emergency purposes pursuant to the policies of the cooperative.

SECTION 4. REVOLVING CAPITAL

To strengthen the capital structure of the Cooperative, the General Assembly may authorize the Board of Directors to raise a revolving capital by deferring the payment of patronage refunds and

interest on share capital, or such other schemes as may be legally adopted. To implement this provision, the Board of Directors shall issue a Revolving Capital Certificate with serial number, name, rate of interest, date of retirement and such other privileges or restrictions as may be deemed just and equitable.

SECTION 5. SHARE CAPITAL CONTRIBUTION

Share Capital Contribution refers to the value of the paid subscription by a member in accordance with the cooperative's Articles of Cooperation.

SECTION 6. SHARE CAPITAL CERTIFICATE

The Board of Directors shall issue a Share Capital Certificate only to a member who has fully paid his/her subscription. The Certificate shall be serially numbered and contain the shareholder's name, the number of shares owned, the par value, and duly signed by the Chairperson and the Secretary, and bearing the official seal of the Cooperative. All certificates issued and/or transferred shall be registered in the Cooperative's Share and Transfer Book.

The number of paid share required for the issuance of Share Capital Certificate shall be determined by the Board of Directors.

The shares may be purchased, owned or held only by persons who are eligible for membership. Subject to existing government rules or laws, interests shall be paid only to paid-up shares which may be in cash; or credited as payment of unpaid subscriptions, outstanding accounts, or additional shares or to the revolving fund of the Cooperative.

SECTION 7. ASSIGNMENT OF SHARE CAPITAL CONTRIBUTION OR INTEREST

Subject to the provisions of the Code, no member shall transfer his/her shares or interest in the cooperative or any part thereof unless:

1. He/She has held such share capital contribution or interest for not less than one (1) year;
2. The assignment is made to the cooperative or to a person who falls within the field of membership of the cooperative; and
3. The Board of Directors has approved such assignment.

The assignment of shares shall not be binding to the Cooperative until such transfer has been registered in the share and transfer book. No transfer shall be completed until the old certificate has been endorsed and surrendered to the Cooperative and a new certificate is issued in the name of the member transferee. The corresponding transfer fee shall be collected from the transferee as prescribed in the Cooperative policy.

In case of lost or destroyed share certificate, the Board of Directors may issue a replacement after the owner thereof executes a sworn affidavit, setting forth the following:

- a. Circumstances as to how, when and where said certificate was lost or destroyed;
- b. The serial number of the certificate; and the number of shares it represents;
- c. The lost or destroyed certificate has never been transferred, sold or endorsed to any third party, provided, that should the same be found, the owner shall surrender it to the Cooperative; and
- d. That any false representation or statement made in the aforesaid affidavit shall be a ground for expulsion from the Cooperative.

ARTICLE X ALLOCATION and DISTRIBUTION of NET SURPLUS

SECTION 1. SERVICE OVER PROFIT

Service over-and-above profit shall be the overriding consideration of BENEKO in pursuit of the goals and operations of its business; each consumer with a registered account shall be issued a certificate of share contribution.

SECTION 2. ORDER of DISTRIBUTION of NET SURPLUS

At the end of every fiscal year, BENEKO shall distribute its net surplus as follows:

a. TEN PERCENT (10%) shall be set aside for RESERVE FUND

1. The Reserve Fund shall be used for the stability of BENEKO and to meet net losses in its operations.
2. Any sum recovered on items previously charged to the Reserve Fund shall be credited to such Fund.
3. The Reserve Fund shall not be utilized for investment other than those allowed in the Philippine Cooperative Code of 2008; such sum of Reserve Fund in excess of the Share Capital may be used at any time for any project that would expand the operation of BENEKO upon resolution of the General Assembly.
4. Upon dissolution of BENEKO, the Reserve Fund shall not be distributed among the members; the General Assembly may resolve:
 - i. to establish a Usufructuary Trust Fund for the benefit of any federation or union to which BENEKO is affiliated; and,
 - ii. to donate, contribute or otherwise dispose of the amount for the benefit of the community where BENEKO operates; if the General Assembly cannot decide upon the disposal of the Reserve Fund, the same shall go to the federation or union to which BENEKO is affiliated.

b. TEN PERCENT (10%) for the EDUCATION and TRAINING FUND from the NET SURPLUS

1. Half of the amount transferred to the Education and Training Fund annually under this subsection may be spent by BENEKO for education and training and other purpose; while the other half shall be credited to the Cooperative and Training Fund of the respective apex organization of which BENEKO a member.
2. Upon dissolution of BENEKO, the unexpended balance of the Education and Training Fund appertaining to BENEKO shall be credited to the Education and Training Fund of the chosen union or federation.

c. An OPTIONAL FUND, a LAND and BUILDING, and OTHER NECESSARY FUNDS --- which shall not exceed SEVEN PERCENT (7%) of the NET SURPLUS.

d. Amount for the COMMUNITY DEVELOPMENT FUND, which shall not be less than THREE PERCENT (3%) of the NET SURPLUS; the COMMUNITY DEVELOPMENT FUND shall be used for projects or activities that will benefit the community where BENEKO operates.

SECTION 3. INTEREST ON SHARE CAPITAL AND PATRONAGE REFUND

Patronage refund or dividends shall be paid or shall be payable by the Cooperative on any capital furnished by the member-consumers only when

- a. there is a net surplus at the end of the year;
- b. the taxes, obligations and debts of the Cooperative have been paid; and,
- c. when the Board so declares that dividends be given.

ARTICLE XI SETTLEMENT of DISPUTES

SECTION 1. MEDIATION and CONCILIATION

All inter- and intra-cooperative disputes shall be settled within BENEKO in accordance with the pertinent guidelines issued by the Cooperative Development Authority, Article 137 of R.A. No. 9520, and its implementing rules and regulations and the Alternative Disputes Resolution Act of 2004 and its supplementary laws.

All mediation and conciliation processes shall be held in Baguio City; all contracts entered into by the Cooperative must always contain a provision that the venue for any case or dispute shall be in Baguio City.

SECTION 2. VOLUNTARY ARBITRATION

Any dispute, controversy, or claim arising out or relating to this by-laws, the Philippine Cooperative Code of 2008 and its implementing rules, the administrative guidelines of the Cooperative Development Authority [CDA], including disputes involving members, officers, directors and committee members, intra-cooperative disputes and related issues, and any question regarding the existence, interpretation, validity, breach or termination of agreements, or the membership/general assembly concerns shall be exclusively referred to and finally resolved by voluntary arbitration under the institutional rules promulgated by the Cooperative Development Authority (CDA), after compliance with the conciliation or mediation mechanism embodied in this by-laws and such in other applicable laws.

ARTICLE XII OPERATIONS

SECTION 1. OPERATIONS

BENECO shall supply electricity to each member at the lowest cost consistent with sound economy and prudent management of the business.

It shall have all the rights of ingress and egress, inside and outside of applicant's and member-consumers' buildings and premises as indicated in the membership application and service contract to enable it to determine whether the electrical connections and meter inside and outside the building and premises are properly installed, and to determine further, whether the applicant is violating any provisions of law with respect to electrical connections and meter installation; therefore, to effectively carry the foregoing purpose, the agents or representatives of BENECO shall have the authority to enter the building or premises, however, shall first inform the owner or his/her representative the intention and purpose of their entering.

It hereby declared unlawful for member-consumers --- whether REGULAR or INSTITUTIONAL members --- to:

- a. tap, make or cause to be made any connection with overload lines, service drops, or to existing electrical service facilities of any duly-registered consumer without the consent of BENECO;
- b. tamper, install or use a tampered electrical meter, jumper, current reversing transformer, shorting or shunting wire, loop connection or any other revise which interferes with the proper or accurate registry or metering of electric current or otherwise result in its diversion whereby electricity is stolen or wasted;
- c. damage or destroy an electric meter, equipment, wire or conduit or allow any of them to be so damaged or destroyed as to interfere with the proper or accurate metering of electric current;
- d. allow or give electrical connection to another establishment;
- e. knowingly use or receive the direct benefit of electric service through any of the acts mentioned in Sub-Sections A to D above and all provisions under Republic Act No. 7832 (an Act penalizing the pilferage of electricity and theft of power transmission lines/materials).

ARTICLE XIII SEAL

SECTION 1. CORPORATE SEAL

The corporate seal of the Cooperative shall be in the form of a circle and shall have inscribed thereon the name of the cooperative, date of incorporation and the word SEAL engrave thereon.

ARTICLE XIV CONTRACTS

SECTION 1. CONTRACTS

Except as otherwise provide for in these by-laws, the Board may authorize any officer or officers or agents to enter into any contract or execute and deliver any instrument in the name and in behalf of the cooperative and such authority may be general or confined to specific instance.

**ARTICLE XV
TRANSITORY PROVISIONS**

SECTION 1. TRANSITORY PERIOD

In the interim, the incumbent members of the Board of Directors shall serve in a hold-over capacity for THREE (3) YEARS until the election of the first set of Directors after the Cooperative's registration with the Cooperative Development Authority (CDA) for the following justifications:

1. orientation/training for incoming candidates to familiarize on the unique operations of electric cooperatives
2. clarifications of issues
3. resolution of the member-consumer-owners (MCOs) contributions in views of the adverse opinion of the Energy Regulatory Commission or ERC
4. organizational function shall not be distributed but to be re-enhanced
5. re-orientation of BENEKO about the context of the CDA
6. determination of membership classification (whether juridical or natural)
7. formulation of policies (new Section)
8. electronic election to secure the sanctity of votes (new Section)
9. leveling of concerns on the actual management of the NEA-CDA cooperative (new Section)

The persons named as Board of Directors in the Articles of Cooperation shall compose the interim Board until the first annual meeting date after registration, heretofore indicated, or until their successors shall have been elected and shall have qualified.

**ARTICLE XVI
MISCELLANEOUS PROVISIONS**

SECTION 1. INVESTMENT of COOPERATIVE FUNDS

BENEKO may invest its funds in any or all of the following:

- a. shares or debentures or securities of any secondary cooperative;
- b. any reputable bank (including cooperative banks or any secondary cooperative);
- c. securities issued or guaranteed by the government;
- d. real estate primarily for the use of BENEKO or its members.
- e. in any other manner approved by the general assembly.

SECTION 2. PETITION FOR RATE CALCULATION

The Cooperative shall petition the ERC for a method of rate calculation deemed practical and responsive to its operation as a CDA-registered cooperative pursuant to the rules and regulations of the ERC.

SECTION 3. ACCOUNTING SYSTEM

BENEKO shall keep, maintain and preserve all its books of accounts and other financial reports in accordance with the provisions of this by-laws, Philippine Financial Reporting System (PFRS) and Business Separation and Unbundling Plan (BSUP)/Accounting Cost Allocation Manual (ACAM)

SECTION 4. FINANCIAL AUDIT, PERFORMANCE AUDIT and SOCIAL AUDIT

At least once a year, the Board of Directors shall --- in consultation with the Audit Committee --- cause the audit of the books of accounts of BENEKO, performance audit and social audit in accordance with the guidelines by the Cooperative Development Authority (CDA).

SECTION 5. ANNUAL REPORT

During the Annual Regular General Assembly Meeting (ARGAM), the officers shall submit to the General Assembly a report of the operation together with the audited financial statements, performance audit, social audit reports and list of officers and trainings undertaken/completed. The annual report shall be certified by the Chairperson and the General Manager of BENEKO as true-and-correct in all aspect to the best of their knowledge.

BENEKO shall submit within one hundred twenty (120) days from the end of every calendar year the web-based Cooperative Annual Progress Report (CAPR) together with the following attachments:

- a. social audit report
- b. performance report (including semi-annual mediation and conciliation report)
- c. audited financial statement
- d. list of officers and trainings undertaken/completed

SECTION 6. DISPOSITION of PROPERTY

The cooperative may not otherwise sell, lease or except by consolidation or merger, otherwise dispose of its property [other than merchandise and property which shall represent not in excess of ten percent (10%) of the value of the cooperative's total asset or which, in the judgment of the Board, are not necessary or useful in operating the cooperative] unless such sale, lease or except in consolidation or merger, other disposition is authorized at a meeting of the members thereof by the affirmative and consented to by the majority vote present during the Assembly and any other lending source which hold lien or any of the cooperative properties; provide, however, that notwithstanding anything therein contained, the Board of the cooperative, with authorization by the members thereof, shall have full power and authority to authorize execution and delivery of a mortgage or a deed of trust or the pledging of encumbering otherwise, or any or all of the property, assets, rights, privileges, licenses, franchises and permits of the cooperative, whether acquired, and wherever situated, as well as the revenue therefrom, all upon such terms and conditions as the Board shall determine, to secure any borrowing by or indebtedness of the cooperative to the government of the Philippines or any other instrumentality or agency thereof or any lending institution.

SECTION 7. NEPOTISM

No relative of the General Manager or any member of the Board up to the fourth degree of relationship --- either in consanguinity or affinity --- shall be employed by the Cooperative or receive compensation for service/s to the Cooperative.

SECTION 8. AFFILIATION

BENEKO may, upon the authorization of the General Assembly become a member of an electric cooperative federation or association.

SECTION 9. ILLEGAL USE of CONFIDENTIAL INFORMATION

A Director or officer, or an associate of a Director or officer, who, for his benefit or advantage or that of an associate, makes use of confidential information that, if generally known, might reasonably be expected to adversely affect the operation and viability of BENEKO, shall be held:

- a. liable to compensate BENEKO for the direct losses it suffered as a result of the illegal use of information.
- b. accountable to BENEKO for any direct benefit or advantage received or yet to be received by him or his associate as a result of the transaction.

ARTICLE XVII AMENDMENTS

SECTION 1. AMENDMENT to the ARTICLES of COOPERATION and the BY-LAWS

Amendments to the Articles of Cooperation and this By-Laws may be adopted by at least two-thirds (2/3) votes of all members with voting rights/members entitled to vote, present and constituting a quorum.

If any member or members desire or desires to offer an amendment of said Articles or Sections, such member or members shall submit a copy of said proposed amendment/s with the Secretary of the Board at least twenty (20) days before the meeting in which said amendment/s is/are to be discussed and the Secretary shall cause a copy of said proposed amendment/s to be included in the notice of meeting.

All amendments to these by-laws shall be subject to the approval of the General Assembly.


Signed this _____.


ESTEBAN A. SOMNGI
Chairperson


JEFFRED S. ACOP
Vice Chairperson


JOSEPHINE TULING
Secretary


MIKE W. MASPIL
Treasurer


ROBERT L. VALENTIN
Auditor


JONATHAN C. OBAR
P.R.O.


PETER B. BUSAING
Member