



REPUBLIC OF THE PHILIPPINES
SECURITIES AND EXCHANGE COMMISSION

SEC Building, EDSA, Greenhills
City of Mandaluyong, Metro Manila

COMPANY REG. NO. 20907

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

KNOW ALL PERSONS BY THESE PRESENTS:

This is to certify that the Amended By-Laws of

MILESTONE GUARANTY AND ASSURANCE CORP.
[Formerly: EASTERN ASSURANCE AND SURETY CORPORATION]

copy annexed, adopted on June 28, 2010 by majority vote of the Board of Directors and by the vote of the stockholders owning or representing at least two-thirds of the outstanding capital stock, and certified under oath by the Corporate Secretary and majority of the said Board was approved by the Commission on this date pursuant to the provisions of Section 48 of the Corporation Code of the Philippines Batas Pambansa Blg. 68, approved on May 1, 1980, and copies thereof are filed with the Commission.

IN WITNESS WHEREOF, I have set my hand and caused the seal of this Commission to be affixed to this Certificate at Mandaluyong City, Metro Manila, Philippines, this 13th day of December, Twenty Ten.


BENITO A. CATARAN
Director

Company Registration and Monitoring Department



AMENDED BY-LAWS

OF

MILESTONE GUARANTY AND ASSURANCE CORP.

(FORMERLY EASTERN ASSURANCE AND SURETY CORPORATION)

as amended on June 28, 2010

ARTICLE I

CORPORATE CAPITAL AND SHARES

Section 1 – Unissued shares of capital stock may be sold by the corporation from time to time in amounts to be determined by the Board of Directors.

The stockholders of the Corporation shall have preferred right to subscribe to all new issues of its stock.

Section 2 – Each stockholder shall be entitled to a certificate or certificates setting forth the number of shares of the capital stock of the corporation registered in his name in the books thereof. Each stock certificate shall be numbered, shall bear the signature of the President and countersigned by the Secretary and the seal of the Corporation, and shall be issued in numerical order from the stock certificate book. The date relative to each stock certificate issued shall be made to appear on its stub in the stock certificate book. No certificate shall be issued for fraction of shares.

Section 3 – A stock certificate may be transferred, sold, assigned, or pledged by written indorsement on the book and the delivery thereof by the transferor to the transferee; but the Corporation shall continue to consider the person in whose name the certificate was issued, as owner thereof, until such certificate shall have been surrendered to the Secretary for cancellation and duly recorded in the books of the Corporation and replaced by a new certificate in the name of the transferee.

Section 4- All certificates so surrendered to the Secretary shall be marked by him with the word "Cancelled" and the date of cancellation, and shall forthwith be attached to the corresponding stub of the stock certificate book.

Section 5- Duplicates of lost or destroyed certificates, or new certificates to replace said lost or destroyed certificates, may be issued in accordance with the requirements of Republic Act No. 201.

Section 6- No transfer may be recorded in the stock registration book on the dates of stockholders' meetings nor during the five (5) days next preceding the date designated for each stockholders' meetings, but the said stock registration book shall be open to inspection by any stockholder at any time during office hours.

ARTICLE II

Section 1- The funds of the Corporation other than the ___ necessary for current expenses shall be invested in accordance with the purposes, as provided in the Articles, for which the Corporation was organized, subject to the provisions of the law governing the same.

Section 2- All cash of the Corporation shall be deposited in its name in such banks and credit institutions as the Board of Directors may designate.

ARTICLE III

Section 1- The General Meeting, duly constituted by shareholders owning a majority of the subscribed capital stock, represents the entire body of stockholders and its decisions in matters proper for deliberation by it are binding even upon absenting or dissenting stockholders except in those cases where the law requires otherwise.

Section 2 – Meetings may be regular or special, and shall be held at the Offices of the Corporation in Quezon City. Regular Meetings shall be held at 4:00 p.m. on the second Saturday of February each year, if such day be not a holiday, otherwise they shall be on the first working day after such date. Special Meetings may be held at any time by resolution of the Board of Directors, or at the request of the stockholders representing at least one-third (1/3) of the subscribed capital, setting forth the purpose of such meeting in the notice.

Section 3 – It shall not be necessary to send the stockholders notice of a regular meeting. Calls for special meetings shall be sent by personal delivery or by mail, with postage prepaid, and the notice shall be deposited in the Manila Post Office, addressed to the addresses of the stockholders registered in the books of the Corporation, at least (5) days in advance of the date for which the meeting is called. Such call shall specify the business to be transacted at the meeting, and no business other than that specified in the call shall be transacted at such meeting.

Section 4- Regular meetings and duly-called special meetings shall be constituted and may pass resolution provided over one-half (1/2) of all outstanding shares of stock is present or represented in such meeting, except in cases where the Corporation law requires a greater number.

Section 5- For the election of Directors, it is necessary that one-half (1/2) plus one (1) of the subscribed shares of stock be present or represented.

Section 6- Any stockholder entitled to vote may be represented by proxy at any regular or special stockholders' meetings. Proxies shall be in writing and signed, but no other formality is required.

Section 7 – Each share of stocks entitles the person in whose name it is registered in the books of the Corporation to one (1) vote.

Section 8 – The election of Directors shall be by ballot and each stockholder entitled to vote may cast the votes to which the number of shares he owns entitles him, for as many persons as are to be elected as Directors, or he may give to one (1) candidate as many votes as the number of

Directors to be elected multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many candidates as he may see fit, provided that the whole number of votes cast by him shall not exceed the number of shares owned by him multiplied by the whole number of Directors to be elected.

The Chairman of the Board shall appoint two (2) inspectors to supervise the elections of directors who shall hold office during the year following the date of their elections. No candidate for the office of Director may hold the office of inspector.

Section 9- At the regular meetings, a Board of nine (9) Directors shall be elected who shall hold Office for the term of one (1) year or until their successors shall have been elected and qualified.

Section 10- All stockholders' meeting shall be presided over by the Chairman of the Board or, in his absence, by the Vice President/President, and in case the latter is absent, by the Senior Director.

The minutes of stockholders' meetings shall be signed by the Secretary, with the approval of the Officer who presided the meeting.

Section 11 – For the transaction of business at stockholders' meetings, the following order shall be observed:

1. Roll call of stockholders.
2. Reading of notice or call of meeting if required
3. Secretary's proof of due notice of meeting, if required
4. Reading and disposal of unapproved minutes
5. Reports of officers
6. Election of Directors
7. New Business
8. Adjournment

Number 2 and 3 shall not apply to regular stockholders meeting.

ARTICLE IV

BOARD OF DIRECTORS

Section 1- The Board of Directors shall consist of nine (9) members. Immediately after their election, they shall meet for the organisation of the Board and the election of the officers of the Corporation.

Section 2- No person shall be elected nor be qualified to hold the Office of the Director of this Corporation unless at least one (1) share of stock of the Corporation is recorded in his name in the books at the time of his election.

Section 3- In case any vacancy or vacancies shall occur in the Board of Directors due to death, resignation or other cause, the remaining Directors constituting a quorum may, by majority vote of those present, fill said vacancies by election from among the qualified stockholders, and the stockholders so elected shall not as members of said Board until the new Board of Directors is elected.

Section 4- The Board of Directors shall designate the days when it shall meet in session, but it shall meet at least once a month. It may be convened in special session by the chairman or at the request of two (2) Directors.

Section 5- A majority of the Directors shall constitute a quorum for the holding of a meeting, and any resolution by a majority of the quorum duly convened in session shall be valid as a corporate act.

Section 6- The Board of Directors shall have the following duties, powers, and attributes, in addition to those assigned to it by the Corporation law and other sections of these By-Laws:

- (a) Determine the period, manner and condition under which the corporation shall engage in the kinds of business comprised in Article II of the Articles of Incorporation
- (b) Determine the manner in which the corporate capital or funds shall be invested, subject to the provisions of Article II of these By-Laws, a resolution being required for each investment or loan.
- (c) Make rules for the internal regulation of the corporation.
- (d) Appoint such officers, agents, and employees, as it may deem necessary for the proper conduct of the corporate business.
- (e) Determine the creation of branches, agencies, and office departments of any class, under the conditions it may deem convenient.
- (f) Decide, as to the safekeeping of the funds of the Corporation, open current accounts, fixed deposit accounts and savings accounts, with any bank authorized to operate in the Philippines and/or abroad.
- (g) Approved the budgets and general expenses accounts of the Corporation.
- (h) Fix annually the percentage of depreciation on all capital expenditures of the Corporation, such as buildings, furniture, and fixtures, etc. and determine the distribution of profits and dividends.
- (i) Submit annually to the regular meeting of Stockholders the Balance Sheet, Profit and Loss Statement and Annual Report on the condition of the Corporation.
- (j) Authorize any other person or persons it may deem fit, aside from the President, to cancel mortgages or pledges, executed as securities for loans and bonds when the mortgages have been repaid to the Corporation and when the bonds have been cancelled.
- (k) Determine the time and manner of issuance of unissued stocks of the Corporation.
- (l) Determine the manner and conditions under which employees of the Corporation shall be granted pension, retirement, gratuity or life insurance protection.
- (m) Fix, upon recommendation of the residents, the budget of the administration expenses, including the salaries and allowances of the corporate officers enumerated in Article V of these By-Laws.

- (n) Institute, maintain, defend, compromise, or drop any litigation in which the Corporation or its officers may be interested as plaintiff or defendant, in connection with the business of the Corporation, and grant extension of time for the payment or settlement of any indebtedness in favor of the Corporation.
- (o) Settle any doubts that may arise relative to the interpretation of these By-Laws and supply any omissions, reporting these to the Stockholder's Meeting for such notion as it may see fit to take.

Section 7- Directors may not borrow money from the Corporation.

Section 8- The Board of Directors, may, in its discretion, create an Executive Committee, consisting of any five (5) directors, one of whom shall be designated by the Board as Chairman. The Executive Committee, if constituted, shall exercise such powers and attributes that the Board of Directors shall delegate to it in the management and direction of the affairs of the corporation. All actions by the Executive Committee shall be reported to the Board of Directors for the latter's ratification or confirmation at its next meeting succeeding such action.

Regular minute of the proceedings of the Executive Committee shall be kept in a book provided for that purpose. Vacancies in the Executive Committee shall be filled by the Board of Directors. A majority of the Committee shall be necessary to constitute a quorum, and in every case the affirmative vote of the majority of all the members shall be necessary for the _____ of any resolutions; it shall fix its own rules of procedure and shall meet as provided in such rules, and also meet at the call of the chairman or any member of the Committee.

ARTICLE V

OFFICERS

Section 1- The officers of the Corporation shall consist of a chairman of the Board of Directors, a President of the Corporation, one (1) or more Vice-Presidents, a General Manager or Managers, a Secretary, one (1) Assistant Secretary, a Treasurer, and one (1) or more Assistant Treasurers, and a Controller. The Chairman of the Board and the President shall be selected from among the members of the Board of Directors, to hold office until their successors are elected and qualified, pursuant to Article IV hereof. All the other officers need not be members of the Board and shall be appointed by the Board of Directors in accordance with the provisions of these By-Laws. Two (2) or more offices not incompatible with one another may be vested in the same person whenever deemed convenient or expedient, and in such case or cases, the person elected to such offices shall discharge the duties of all the said offices.

Section 2- The Chairman of the Board of Directors shall preside at all meetings of the Stockholders and Board of Directors. In the absence or inability of the Chairman, the Vice-Chairman of the Board, or in his absence, the President shall exercise all his function and in the absence or disability of the latter, any one of the Vice-Presidents who are also directors in the order of their seniority; in the absence or disability of such Vice-President, the Director that the Board of Directors may designate shall act.

Section 3- The President shall be the Chief Executive Officer of the Corporation and shall represent it in all business transactions. He shall, subject to the control of the Board of Directors, or the Executive Committee, as the case may be, have direct charge of the business and property of the Corporation.

Section 4- Any one of the Vice-Presidents in the order of their seniority shall act for, and exercise the functions of, the President, in the absence or inability of the latter and shall have such duties as the Board of Directors may, upon recommendation of the Presidents assign to them.

Section 5 – The treasurer shall have the custody of such funds and property of the Corporation as may be delivered to or received by him, and shall perform such duties as may properly be required of his by the Board.

Section 6- The Controller shall maintain adequate records of all assets, liabilities, and transactions of the Corporation; shall see that adequate audits are currently and regularly made; shall in conjunction with the other officers, initiates and enforces measures and procedures for the maximum safety, efficiency, and economy of the business and shall, when so required, attend all meetings of the Board and the Executive Committee and report to the President, the Board of the Executive Committee.

Section 7- The Secretary shall give due notice, and keep the minute, of all meetings of the Stockholders of the Corporation and of the Board of Directors and the Executive Committee; have custody of the Corporate Seal; prepare ballots for the annual elections and keep a complete and up-to-date roll of stockholders and their addresses. He shall also perform such other duties as are incident to his office and as may be required of him by the Board of Directors.

Section 8- The Assistant Vice-President or Assistant Vice-Presidents, as the case may be, shall be assigned such functions as the President may direct and shall perform such other duties as may be required by the Board of Directors.

Section 9- The Assistant treasurer or Treasurers and Assistant Secretary or Secretaries as the case may be, shall be assigned such functions as the President may direct, upon recommendation of the Treasurer or Secretary, and act in the absence or inability of the Treasurer or Secretary, respectively, and shall perform such other duties as may be required of them by the Board of Directors.

ARTICLE VI MANAGEMENT

Section 1- The Board of Directors may enter into a management contract with any individual, entity, or another corporation, under which such individual, entity, or other corporation may act as General Manager, and under such term and conditions as may be agreed upon between them.

Section 2-The General Manager or General Managers, as the case may be, shall be under the supervision and control of the Board of Directors of this Corporation.

ARTICLE VII
DISTRIBUTION OF PROFITS AND LIQUIDATION

Section 1- At the end of each year, the President submits to the Board of Directors, a detailed report and Balance Sheet covering the fiscal year's business of the Corporation, and showing the profits realized or loss sustained.

Section 2- The distribution of the profits of the Corporation shall be determined by the Board of Directors who may deduct from the said profits such sum as it may consider necessary to set aside as reserve, as well as such amount or amounts as it may deem proper to distribute among deserving employees or officers in the form of bonus or gratuities.

Section 3- At the end of the life of the Corporation, or if it has to liquidate for any reason, the Board of Directors shall exercise the function of liquidator and the applicable portions of these By-Laws shall continue to be in force.

Section 4- The products that may be obtained from the liquidation of the Corporation, after liquidating all of its obligations shall first be applied to the return of the shares of the stockholders, and the remainder, should there be any, shall be distributed in accordance with the rule established in these By-Laws for distribution of annual profits.

Section 5- The Board of Directors may, in its discretion, employ auditors who will audit and examine the books of accounts of the Corporation, and certify to the Board of Directors the annual balances of said books, which shall be prepared at the close of the said year under the direction of the Treasurer.

ARTICLE VIII
MISCELLANEOUS OR TRANSITORY PROVISIONS

Section 1- The seal of the Corporation shall consist of a circular disc with corporate name arranged in a circle, with the year 1962 and the word "Quezon City" in the center.

Section 2- These By-Laws may be amended, repealed, or modified at any regular Stockholder's Meetings or at any Special Meeting convened for this purpose by a majority vote of the subscribed capital stock. The Board of Directors cannot repeal or amend the By-Laws but it may promulgate such rules and regulations not incompatible with these By-Laws as it may deem advisable for the proper functioning of the Corporation.

Section 3- The fiscal year of the Corporation shall commence with the opening of business on the first day of January of each calendar year, and shall close on the 31st day of December of the same year.

The foregoing By-Laws were adopted by the unanimous vote of the owners of a majority of the subscribed capital stock of the Corporation at the first meeting of the stockholders hold in Quezon City on the 22nd day of June 1962.

IN WITNESS WHEREOF, we, the undersigned shareholders present at said meeting and voting interest in favor of the adoption of said By-Laws, have hereunto subscribed our names and with the Chairman of the meeting and the Secretary of the same do likewise with our signature attest.

(sgd. illegible)

We, the undersigned, **President and Secretary** of the Eastern Assurance and Surety Corporation do hereby certify that the foregoing are the By-Laws of the said corporation, duly adopted by the

stockholders thereof as their meeting held in Quezon City, Philippines on the 22nd day of June, 1962, all as shown by the minutes of said meeting; and that all stockholders representing a majority of the subscribed capital stock voted in favor of the adoption of said By-Laws.

IN WITNESS WHEREOF, we have hereunto affixed our signature and the corporate seal of said corporation on the 22nd day of June, 1962 at Quezon City.

(sgd. Illegible)

ATTEST:

(sgd. Illegible)