

**PARAMOUNT LIFE AND GENERAL INSURANCE CORPORATION
MULTI-EMPLOYER RETIREMENT PLAN**

RULES AND REGULATIONS

Article I

Creation and Effectivity

Section 1. Title

The Plan shall be known as the "**Paramount Life and General Insurance Corporation** Multi-Employer Retirement Plan."

Section 2. Effective Date

The Plan shall become effective on December 31, 2013, hereinafter referred to as the "Effective Date".

Article II

Definitions

Section 1. Definitions

The following words and phrases, as used herein, shall have the meaning indicated, unless a different meaning is plainly required by the text:

- (a) "Plan" refers to the **Paramount Life and General Insurance Corporation** Multi-Employer Retirement Plan.
- (b) "Employer" refers to a participating employer in the Plan.
- (c) "Fund" refers to the fund created from the pooled contributions of the Employer that is managed by the appointed Trustee.
- (d) "Member" shall mean regular employee of the Employer who is covered by the Plan.
- (e) "Credited Service" shall mean the unbroken period of employment measured from the date on which he was first hired on a probationary basis by his Employer.

If the member has incurred a break in service, credited service shall be the most recent unbroken period of employment measured from the date of re-hire only. A break in credited service shall be deemed to have occurred whenever a member voluntarily resigns, is discharged by his Employer, ceases to be an employee for any cause whatsoever or when he fails to return to the service of the Employer after an approved leave of absence.

For purposes of retirement benefit calculation, a fraction of at least six (6) months in a calendar year shall be considered as one whole year of credited service. A fraction of less than six (6) months shall be considered in its exact proportion to one calendar year.

(f) "Plan Salary" shall mean the current basic salary or wage paid to the Member by his Employer, but excludes bonuses, overtime pay, allowance and other special emoluments.

(g) "Trustee" shall mean a bank or other financial institutions so named in the Trust Agreement and/or its successors.

Section 2. The masculine pronoun whenever used herein shall include the feminine gender and the single number whenever used herein shall include the plural and the singular unless the context indicates otherwise.

Article III
Participation in the Plan

Section 1. General

The Plan is established to provide retirement and other benefits for the qualified employees of the participating Employer.

Section 2. Original Participating Employer

The Original Participating Employers of the Plan are as follows:

(a) Paramount Life and General Insurance Corporation

(b) Paramount Care Corporation

(c) Contact Management Inc.

(d) Majilis Star Holdings, Inc.

Section 3. Acceptance of New Employer

Any employer or institution affiliated with Paramount Life and General Insurance Corporation may join the Plan subject to its approval.

Section 4. Termination of Participation

The termination of an employer's status as a participating Employer in the Plan shall be governed by the provisions of Article X.

Article IV
Membership

Section 1. Employees eligible as of the effective date of Employer participation

Any regular employee, as of the effective date of his Employer's participation, shall automatically become a Member of the Plan.

Section 2. Employees eligible after the Effective Date of Employer participation

Any regular employee not covered by the Plan as of the effective date of his Employer's participation or any employee hired by the Employer subsequent to the effective date of its participation in the Plan shall automatically become a Member of the Plan on the first day of the month coincident with or next following his regular employment.

Section 3. Termination

Membership in the Plan shall automatically terminate upon payment of the Member's benefit under the Plan, or if he is not entitled to any benefit, upon separation from his Employer, or upon termination of his Employer's participation in the Plan.

Article V

Nomination of Beneficiaries

Section 1. Nomination

Any Member shall upon joining the Plan, forthwith nominate in writing in such forms, as shall be prescribed by the Retirement Committee, a person or persons to receive the amount which may be due him in case of his death.

Every nomination or appointment shall remain in force until the death of the nominee or appointee or until revoked or amended by the Member making it by delivering to the Trustee another nomination or appointment in the prescribed form. In the event of death, during the life of the Member, or his designated beneficiary, the Member shall nominate or appoint another person or persons in his stead.

Section 2. Failure to Nominate

If at the death of a Member, there exist no valid nomination by him of a beneficiary, he shall be conclusively presumed to have appointed, as his beneficiary or beneficiaries, the person or persons in the first of the following classes then surviving:

- a) Legitimate spouse
- b) Children
- c) Parents
- d) Brother and Sisters
- e) his estate

Section 3. Payment to Beneficiary or Beneficiaries

On the death of a Member, the amount standing to his credit at the time of his death shall be made payable to the beneficiary or beneficiaries named by the deceased Member in the existing nomination on file with the Trustee or his presumed beneficiary or beneficiaries as provided for in Section 2 above. If a beneficiary is declared judicially incompetent, payment to his legal guardian shall be deemed as if made to the Beneficiary in person and shall discharge his Employer's share in the Fund from liability to the extent of the amount paid.

In case the beneficiary is a minor or is under any disability to give a legal discharge for payment of the benefits, the benefits shall be paid to the duly appointed judicial guardian for and in behalf of the minor or person under disability, except that where the beneficiary is a minor and the benefits due him amount to P50,000.00 or less, payment may be made to his legal guardian, in accordance with Article 225 of the Family Code of the Philippines. However, in no case will the beneficiary be entitled to any interest on the amount of the benefit during the period that payment was deferred because of the absence of a judicial guardian.

Beneficiaries shall share equally the death benefit proceeds.

ARTICLE VI

Eligibility for Retirement and Benefits

Section 1. Normal Retirement

Any Member on the first day of the month coincident with or next following his attainment of age sixty (60) shall be retired. If he has completed at least five (5) years of faithful and continuous service with his Employer, he shall be entitled to the full normal retirement benefit, as described in Section 2 of this Article.

Section 2. Normal Retirement Benefit

The normal retirement benefit shall be the equivalent to 100% of plan salary for every year of credited service. Plan salary shall be based on his salary at the time of retirement.

Section 3. Early Retirement Benefit

Subject to Company approval, any Member upon completion of at least ten (10) years of credited service may retire prior to his normal retirement date and shall be entitled to an early retirement benefit equivalent to a percentage of plan salary per year of credited service, in accordance with the following schedule:

<u>Complete Years of Credited Service</u>	<u>Percentage of Normal Retirement Benefit</u>
Less than 10 years	Nil
10 but less than 15 years	25%
15 but less than 20 years	50%
20 but less than 25 years	75%
More than 25 years	100%

Section 4. Late Retirement Benefit

Any Member with the consent of the company may be allowed to continue to work on a yearly extension basis beyond his normal retirement date. He shall continue to be a Member of the Plan up to his late retirement date. The late retirement date shall be the first day of any month after attaining his normal retirement age but not beyond age sixty-five (65). The late retirement benefit shall be equivalent to the normal retirement benefit.

Section 5. Death Benefit

In the event of death of a Member while in the active service of the Company, his beneficiaries shall receive a death benefit determined in accordance with the normal retirement benefit formula under Section 2 above.

Section 6. Total and Permanent Disability Benefit

In the event of total and permanent disability of a Member, as determined by the Company's physician, the Member shall be entitled to receive a benefit determined in accordance with the normal retirement benefit formula under Section 2 above.

Section 7. Involuntary Separation

A Member who is terminated beyond his control due to the installation of labor-saving devices, redundancy, or a retrenchment program initiated by the Employer as a result of merger; or to prevent losses or other similar causes, or where the Member suffers from a disease and his continued employment is prohibited by law or is prejudicial to his health or to the health of his co-employees, the Member concerned shall be entitled to the normal retirement benefit, or the benefit mandated under the New Labor Code, or similar legislation, or existing Collective Bargaining Agreement (CBA), if there is any, whichever is the greatest.

Section 8. No Other Benefits

No benefits other than those previously provided in this Article shall be payable under this Plan.

Section 9. Forfeiture of Benefits

A Member who is dismissed for cause by his Employer shall forfeit all his rights and privileges under this Article. Benefits may also be denied by the Employer if, in its opinion, any Member has committed acts that are inimical or prejudicial to the interests of the Employer.

Section 10. Forfeitures

Any amount accrued under this Plan which is not paid by virtue of the limitations specified in these rules and regulations shall not be used to increase the benefits of the remaining Members. Such amount shall be retained in the Fund and shall be used to reduce subsequent contributions of the Employer to the Fund.

Section 11. No Duplication of Separation Benefits

All benefits granted under this Plan shall be creditable or chargeable against any retirement, death, disability and other separation or similar benefits provided by the Employer pursuant to any Collective Bargaining Agreement (CBA) or to any existing Employer Policy or to any applicable provision of the law.

Section 12. Manner of Payment

All benefits under the Plan shall be made in lump sum.

Section 13. Portability of Benefits

The credited service of a Member who transfers from one Employer to another may be carried over to his new Employer subject to the approval of the new Employer. In such case, an amount equivalent to the benefit that has already vested to the transferring Member shall be transferred from his old Employer to his new Employer.

Section 14. Fund Insufficiency

In case the Employer's share in the Fund is insufficient to pay the benefits entitled to its Member under this Plan, the Retirement Committee shall ask the Employer to contribute the necessary amount to satisfy the benefit payable. If the Employer does not contribute such amount, the Member shall be paid to the extent of his Employer's share in the Fund. The Employer shall then be liable for the payment of the difference to its Member.

In no case shall an Employer's share in the Fund be used to pay for the benefit of another Employer's Member.

Article VII

Governance, Administration & Trusteeship

Section 1. The Retirement Committee

The Plan shall be governed by a Retirement Committee. The Retirement Committee shall consist of not less than three (3) persons to be appointed by the Board of Directors of **Paramount Life and General Insurance Corporation**. The Committee may appoint a member or alternate to fill in any vacancy.

All questions relating to the operation and administration of the Plan shall be resolved by the Retirement Committee. This includes but is not limited to the power to interpret, construe and administer the Plan, to determine the rights of Members and their beneficiaries under the Plan, and all such powers necessary or useful in the discharge of its duties.

The Retirement Committee may seek the advice of counsel or appoint an independent accountant to perform periodic audit of the Fund. The expenses relative to this exercise shall be charged to the Fund.

The Retirement Committee may adopt and promulgate from time to time supplementary and complementary rules and regulations concerning the administration and disposition of the Fund which are not inconsistent herewith.

Section 2. Trustee

The Retirement Committee shall appoint a Trustee who shall invest and reinvest the Fund, accept and disburse payments in accordance with the rules and regulations of the Plan. The Committee shall authorize any two (2) of their members to execute and sign the Trust Agreement in behalf of the Committee.

The trusteeship fee shall be charged directly to the Fund.

Section 3. Administrator

Paramount Life and General Insurance Corporation shall serve as the Administrator of the Plan who shall maintain the account of each Employer, allocate the earnings or losses of the fund as herein provided, generate periodic statements of account of each Employer and other functions which may be delegated by the Retirement Committee.

Section 4. Actuary

An Employer may consult with a qualified actuary to perform necessary actuarial and related technical services in connection with the sufficiency of its account in the Plan as well as its periodic contributions to the Plan.

Actuarial fees may be paid directly by the Employer to the actuary or charged to its share in the Fund.

Article VIII
Funding & Accounting

Section 1. The Fund

The funding of the Plan and payment of the benefits hereunder shall be provided for through the medium of a Fund held by the Trustee under an appropriate Trust Agreement. The contributions of the Employer to the Fund so created, together with the earnings and losses, realized and unrealized, less benefit payments and expenses, shall constitute the Fund.

Section 2. Fiscal Year

The Fiscal Year of the Fund shall begin on January 1 and end on December 31 of each year.

Section 3. Valuation of the Fund

- a) The net asset value of the Fund shall be determined by the Trustee as of the close of business hours on the last business / working day of every month.
- b) The Trustee shall determine and compute the net asset value of the Fund as of a particular valuation date by valuing the assets of the Fund on such date and thereafter subtracting from the amount of liabilities of the Fund on the same date. Fair / Market valuation method shall be used.

Section 4. Individual Employer's Accounts

- a) An account shall be maintained for each Employer reflecting the amounts contributed, benefit payments made and interest earned or investment losses incurred.
- b) Investment earnings or losses based on the method of valuation above shall be allocated to individual Employer accounts on a quarterly basis taking into consideration its beginning share in the Fund and the amounts and timing of contributions, benefit payments and expense charges made during the month. The individual Employer's share in the Fund as of any particular date shall be based on his share as of the latest fund valuation date plus contributions less benefit payments and expense charges made thereafter. Any gain or loss that may result due to the preceding provision because of market value fluctuation in-between valuation dates shall be reflected as Fund earnings / losses.

Section 5. Statement of Individual Employer Accounts

As soon as practicable after the beginning of each quarter, each Employer shall be furnished with a written statement or statements of:

- (1) The value of the Fund and its share in the Fund as of the end of the quarter;
- (2) All contributions, benefit payments and expense charges during the prior quarter; and
- (3) All earnings or losses of the Fund and its share of such earnings or losses during the prior quarter.

Article IX
Contributions to the Fund

Section 1. Employer Contributions

Beginning with the Effective Date of participation in the Plan, the Employer shall contribute to the Fund such amounts recommended under an actuarial study made by a qualified actuary.

While the Employer intends to continue its participation in the Plan and to make the necessary contributions to the Fund from time to time, as shall be recommended under accepted actuarial principles, the Employer reserves the right to discontinue, suspend or change the rate and amount of its contributions to the Fund at any time.

The Employer shall not be liable to any person for failure on its part to make contributions, as provided for in this Section, nor shall any right of action accrue to compel the Employer to make such contribution.

Section 2. Interest in the Fund

No Member shall have any right, title or interest to any part of the share of his Employer in the Fund, except as and to the extent expressly provided for in the Plan or to the other Employer' share in the fund.

Any Member having a right or claim under the Plan shall look solely to the share of his Employer in the Fund. In no event shall the Retirement Committee, the Employer or its officers, directors or stockholders be liable jointly or severally, to any person whomsoever on account of any claim arising by reason of the provisions thereof.

Section 3. Members' Loans from the Fund

A Member may take a loan from the retirement fund subject to the following conditions:

- a) Availability of funds;
- b) The amount of loan shall not be more than 70% of his vested benefits under the Plan;
- c) The loan is in accordance with the prevailing guidelines on loans from the fund as approved by the Employer;
- d) The loan shall bear interest and shall be payable for a period of time specified in the guidelines specified above; and
- e) Any unpaid loan shall automatically be deducted from the benefit payable under this Plan upon separation of the Member.

The Company reserves the right to suspend the granting of loans as it may deem necessary.

Section 4. Irrevocability& Non-Diversion

The Employer shall have no right, title or interest in the contributions made by it to Fund and no part of its share in the Fund shall accrue to the Employer except after satisfaction of all its liabilities under the Plan.

Section 5. Member Contributions

The Employer shall bear the full cost of providing the benefits from the Plan. No contribution shall come from the Members.

Article X

Termination of Employer Participation

Section 1. Voluntary Withdrawal

An Employer may terminate its participation in the Plan anytime by serving written notice with the Retirement Committee of its intention. The termination shall become effective on the first day of the month immediately following the acceptance thereof by the Retirement Committee.

Under no circumstances whatsoever shall such termination permit the return to the Employer of any portion of the contributions it made to the Fund, nor allow any part of its share in the Fund to be used for, or diverted to purposes other than the exclusive benefit of the terminating Employer's Members or their beneficiaries.

Should the Employer terminate its participation in the Plan with the intention of setting up its own retirement plan or segregating its own retirement fund, its balance shall be transferred to its duly appointed Trustee. Any gain or loss resulting in the termination of a participating Employer shall be reflected as Fund earnings / losses.

Should the Employer terminate its participation in the Plan without the intention of setting up its own retirement plan or transferring its share in the Fund to another trustee, its share in the Fund shall be allocated to its Members in accordance with the following priorities:

- a) A sum sufficient to provide for payment in full of late and normal retirement benefits due to its Members who have attained normal retirement age, or to beneficiaries of those who died; and benefits to those who are totally and permanently disabled who were not yet paid, on a pro-rata basis, if its share in the fund is not sufficient.
- b) If there is a balance left after paying those in (a), a sum sufficient to provide for payment in full of any early retirement benefits due to its Members, on a pro-rata basis, if the amount is not sufficient.
- c) If there is a balance left after paying those in (a) and (b), a sum sufficient to provide for payment to its Members equivalent to the present value of their accrued benefits, on a pro-rata basis, if the amount is not sufficient.
- d) If there is still a balance left after paying those in (a), (b) and (c), the amount shall revert to the Employer.

Section 2. Involuntary Withdrawal

Participation of an Employer shall automatically terminate at the end of the third valuation date immediately following the date that its balance in the fund falls below the minimum prescribed by the Retirement Committee.

Article XI

Amendment and Termination of the Plan

Section 1. Amendment

The Retirement Committee may amend or modify the Plan at any time by a resolution approved by at least two-thirds vote of the Members of the Committee. Any amendment shall take effect not earlier than six (6) months from the date official communications were sent to the Participating Employer. However, no amendment shall be made to the effect that shall be construed as providing or intending to provide for the return to the Employer of any portion of the contributions made by them to the Fund, nor operate to permit any part of the assets of the Fund or its share in the Fund to be used for or diverted to purposes other than the exclusive benefit of the Members and their Beneficiaries.

Section 2. Termination of the Plan

Paramount Life and General Insurance Corporation may terminate this Plan at any time.

In case of the termination of this Plan, Employers shall be given the option to set up its own Retirement Plan or join another Multi-Employer Plan, in which case its share in the fund shall be transferred to its appointed Trustee. If the Employer has no intention of setting up its own retirement plan nor participating in another Multi-Employer Plan, its share in the Fund shall be allocated and distributed among its Members in accordance with Article X, Section 1.

ARTICLE XII

Effect of Social Legislation

Section 1. Social Security System

Except as otherwise provided, whatever benefits may be due the Member on account of the Social Security System, shall not be deducted from the benefits granted under the Plan.

Section 2. Other Laws and/or Government Awards, Rules and Regulations

Except only as provided in the next preceding Section hereof, in the event that the Employer is required under the laws or by lawful order of competent authority to give to its Employees any separation pay, or retirement benefits under the Collective Bargaining Agreement (CBA), if there is any, or other benefits or emoluments similar to or analogous to those herein already provided, the Member concerned shall not be entitled to both what the law or the lawful order of competent authority requires the Employer to give and the benefits herein provided but shall be entitled to the greatest benefit. Payment of the benefits under this Plan shall be in lieu of all other benefits under the New Labor Code or similar legislation, if such benefits are greater than the latter; otherwise, the benefits under this Plan shall form part of the benefits stipulated under such legislation.

Article XIII
Miscellaneous Provisions

Section 1. Right of Employer and Members

Nothing herein contained shall be deemed to give any Member the right to be retained in the service of his Employer or to interfere with the right of his Employer to discharge him at any time, nor shall it give the Employer the right to require a Member to remain in its service, nor shall it interfere with the Member's right to terminate his service at any time.

Section 2. Employer's Right to Conduct Audit of the Fund

An Employer may conduct its own audit of the Fund as it may deem necessary but not as frequent as once a year.

Section 3. Action against the Retirement Committee and/or the Trustee

Should any action be brought against the Retirement Committee and/or the Trustee in view of any violation of the provisions of the Plan by the Employer, the Employer shall render free and harmless the Retirement Committee and the Trustee from any liability and the latter two (2) entities either collectively or separately, shall have a right of recourse against the Employer.

Section 4. Non-Transferability of Benefits

Neither the Employer nor the Plan shall, in any manner, be liable for or be subject to the payment of any debt or liability of any Member or his beneficiaries.

Section 5. Bureau of Internal Revenue Regulations

The rules and regulations of this Plan have been designed to meet the requirements of the Bureau of Internal Revenue regulations for a tax-qualified plan. The Retirement Committee reserves the right to amend any provisions of the Plan in order that it shall maintain its tax-qualified status in accordance with the present and future Bureau of Internal Revenue regulations.

Section 6. Applicable Laws

The validity, effect and interpretation of the Plan shall in every instance be governed by the laws of the Republic of the Philippines.

APPROVED BY:



ROSANNA L.GO, Executive Vice Chairman



GEORGE T. TIU, President & COO