



July 18, 2016

**PHILIPPINE DEALING & EXCHANGE CORP.**

37<sup>th</sup> Floor, Tower 1, The Enterprise Center  
6766 Ayala Ave., cor. Paseo de Roxas, Makati City

Attention: **Ms. Vina Vanessa S. Salonga**  
*Head, Issuer Compliance and Disclosure Department (ICDD)*

Re: **SEC Approval of Amended By-Laws**

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Ladies and Gentlemen:

Please be informed that the Securities and Exchange Commission (SEC) has approved the application of SM Investments Corporation (SMIC) for the amendment of SMIC's By-Laws (Article IV, Section 5) increasing the requirement for quorum for meetings of the Board of Directors from a simple majority of its number of directors to two-thirds (2/3) thereof.

Attached is the Certificate of Filing of Amended By-Laws issued by the SEC for further reference.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Elmer B. Serrano'.

**ELMER B. SERRANO**  
Corporate Secretary

Encl. a/s



REPUBLIC OF THE PHILIPPINES  
SECURITIES AND EXCHANGE COMMISSION  
SEC Building, EDSA, Greenhills  
City Of Mandaluyong, Metro Manila

COMPANY REG. NO. 16342

CERTIFICATE OF FILING  
OF  
AMENDED BY-LAWS

KNOW ALL PERSONS BY THESE PRESENTS:

This is to certify that the Amended By-Laws of

**SM INVESTMENTS CORPORATION**

copy annexed, adopted on March 02, 2016 by a majority vote of the Board of Directors and on April 27, 2016 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 15<sup>th</sup> day of July, Twenty Sixteen.



  
**FERDINAND B. SALES**  
Director  
Company Registration and Monitoring Department

AMENDED  
BY-LAWS  
OF  
**SM INVESTMENTS CORPORATION**

**ARTICLE I: OFFICES**

**Section 1. Principal Office** - The principal office of the corporation shall be located at the place stated in the Articles of Incorporation or at such place therein as the Board of Directors may fix.

**Section 2. Other Offices** - The Corporation may also have a branch office or branch offices at such other place or places within or outside the Philippines as the Board of Directors may from time to time determine as the business of the Corporation may require.

**ARTICLE II: SHARES OF STOCK AND THEIR TRANSFER**

**Section 1. Certificates of Stock** - Each stockholder shall be entitled to receive one or more certificates of stock showing the number of shares registered in his name upon full payment of his subscription, together with interest and expenses thereon, if any, is due. The certificates of stock shall be signed by the President or the Executive Vice President and countersigned by the Secretary or the Assistant Secretary of the Corporation and sealed with its corporate seal. They shall be issued in consecutive order and be in such form as shall be approved by the Board of Directors.

The signature by the President or Executive Vice President and the countersignature by the Secretary may be by an individual signing by such officers or by a facsimile of either or both of their signatures. However, no certificate may be signed by facsimile by the duly authorized signing officers of the Transfer Agent of the Corporation, but the same must be manually signed by the authorized signing officers of the Transfer Agent.

Every certificate returned to the corporation for the exchange or transfer of shares shall be cancelled and posted in its original place in the stock certificate book, and no new certificates shall be issued until the old certificate has been thus cancelled and returned to its original place in such book.

**Section 2. Transfer of Stock** - Subject to the restrictions on transfer as may appear in the Articles of incorporation, transfers of shares of the capital stock of the Corporation shall be made only on the books of the Corporation by the holder thereof, or by his duly authorized attorney-in-fact or legal representative, in such manner as to show the names of the parties to the transaction, the date of the transfer, the number of the certificate(s) and the number of shares transferred, and upon such transfer, the old certificate(s) shall be surrendered to the Corporation by the delivery thereof to the person in charge of the stock and transfer books and ledgers, or to such other person as the Board of Directors may designate, by whom it/they shall be cancelled, and new certificate(s) shall be issued. The term "person" or "persons" used herein shall be deemed to include any firm or firms, corporation or associations. Whenever any transfer of shares shall be made for collateral security and not absolutely, such fact, if known to the Secretary or to the Transfer Agent, shall be so expressed in the entry of the transfer.

**Section 3. Addresses of Stockholders** - Each stockholder shall designate to the Secretary of the Corporation an address at which notices of meetings and all other corporate notices may be served upon or mailed to him, and if any stockholder shall fail to designate such address, corporate notices may be served upon him by mail at his last known post office address.

**Section 4. Lost, Destroyed and Mutilated Certificates** - The holder of any stock of the Corporation shall immediately notify the Corporation of any loss, destruction or mutilation of the certificates therefore, and the Board of Directors may cause to be issued to him a new certificate(s) of stock, upon the surrender of the mutilated certificate or, in case of loss or destruction of the certificate, upon compliance with the procedure required under Section 73 of the Corporation Code. The Board of Directors may require the owner of the lost or destroyed certificate or his legal representative to give the Corporation a bond in such sum, not exceeding double the book value of such stock, and with such surety or sureties, as it may direct, to indemnify the Corporation against any claim that may be made against it on account of the alleged loss or destruction of any such certificate.

**Section 5. Closing of Transfer Books** - The Board of Directors may, by resolution, direct that the stock and transfer books of the Corporation be closed for a period not exceeding thirty (30) days preceding the date of any meeting of stockholders, or the date for the payment of any dividend, or the date for the allotment of rights, or the date when any change or conversion or exchange of capital stock shall go into effect, as a record date for the determination of the stockholders entitled to notice of, and to vote at, any such meeting, or entitled to receive payment of any such dividend, or to any such allotment or rights, or to exercise the rights in respect of any change, conversion or exchange of the capital

stock, and in each such case only such stockholders as shall be stockholders of record on the date so fixed shall be entitled to notice of, or to vote at, such meeting, or to receive payment of such dividend, or to receive such allotment of rights, or to exercise such rights, as the case may be, notwithstanding any transfer of any stock on the books of the Corporation after such record date as aforesaid.

**Section 6. Subscriptions** - Unpaid subscription to the capital stock of the Corporation shall be due and payable at any time or from time to time as they shall be declared due and payable by the Board of Directors. Unless otherwise provided in the subscription agreement, no interest shall be due on unpaid subscriptions until such subscriptions are declared delinquent.

## **ARTICLE III: MEETINGS OF STOCKHOLDERS**

**Section 1. Place of Meetings** - All meetings of stockholders shall be held at the principal office of the Corporation or at any place designated by the Board of Directors in the city or municipality where the principal office of the corporation is located.

**Section 2. Annual Meetings** - The annual meeting of the stockholders for the election of directors and for the transaction of such other business as may come before the meeting shall be held on the **Last Wednesday of April of each year, beginning 2006**, at such date and time as may be fixed by the Board of Directors. If the election of directors shall not be held on the day designated for the annual meeting or at any adjournment of such meeting, the Board of Directors shall cause the election to be held at special meeting as soon thereafter as the same may conveniently be held. At such special meeting, the stockholders may elect the directors and transact other business as stated in the notice of the meeting with the same force and effect as at an annual meeting duly called and held.

**Section 3. Special Meetings** - Special meetings of the stockholders may be called at any time by resolution of the Board of Directors or by order of the Chairman of the Board or the President or upon the written request of stockholders registered as owners of at least a majority of the total outstanding stock having voting powers. Such request shall state the purpose(s) of the proposed meeting.

**Section 4. Notice of Meetings** - Except as otherwise provided by law, written or printed notice of all annual and special meetings by stockholders, stating the place and time of the meeting and, if necessary, the general nature of the business to be considered, shall be transmitted by personal delivery, mail, telegraph, facsimile or cable to each stockholder of record entitled to vote thereat at his last known address appearing on the corporate books of the Corporation at least fifteen (15)

business days before the date of the meeting, unless a shorter period is or hereafter allowed under the law or the rules of the Securities and Exchange Commission. Except where expressly required by law, no publication of any notice of a meeting of the stockholders shall be required. If any stockholder shall in person or by attorney-in-fact authorized in writing or by telegraph, cable or facsimile, waive notice of any meeting, whether before or after the holding of such meeting, notice need not be given to him. Notice of any adjourned meeting of the stockholders shall not be given, except when expressly required by law. No failure or irregularity of notices of any regular meeting shall invalidate such meeting at which all the stockholders are present or represented and voting without protest.

**Section 5. Record Date** - The Board of Directors shall set, or authorize the Executive Committee or the President to set, a record date prior to each meeting of the stockholders of the Corporation for determination of the stockholders entitled to notice of such meeting and the number of shares which the stockholder is entitled to vote at such meeting.

**Section 6. Quorum** - At each meeting of the stockholders, the holder(s) of a majority of the outstanding capital stock of the Corporation having voting powers, who is or are present in person or represented by proxy, shall constitute a quorum for the transaction of business, save in those cases where the Corporation Code requires the presence at the meeting, in person or by proxy, of a greater proportion of the outstanding capital stock. In the absence of a quorum, the stockholders of the Corporation present in person or represented by proxy and entitled to vote, by majority vote, or, in the absence of all the stockholders, any officer entitled to preside or act as Secretary at such meeting, shall have the power to adjourn the meeting from time to time, until stockholders holding the requisite amount of stock shall be present or represented. At any such adjourned meeting at which a quorum may be present any business may be transacted at the meeting as originally called. The absence from any meeting of the number required by the laws of the Republic of the Philippines or by the Articles of Incorporation or these By-laws for action upon any given matter shall not prevent action at such meeting upon any other matter or matters which may properly come before the meeting, if the number of stockholders required in respect of such other matter or matters shall be present.

**Section 7. Organization of Meeting** - At every meeting of the stockholders, the Chairman of the Board, or in his absence, any of the Vice-Chairmen, or in their absence, the President, or in the absence of the Chairman and the Vice-Chairman of the Board and the President, a Chairman chosen by the stockholders present in person or by proxy and entitled to vote thereat, by majority vote, shall act as Chairman. The Secretary shall act as secretary at all meetings of the stockholders. In the absence from any such meeting of the Secretary, the Assistant Secretary shall, or

if there be none, the Chairman may appoint any person to act as secretary of the meeting.

**Section 8. Voting** - At every meeting of the stockholders, each stockholder shall be entitled to vote in person or by proxy and, unless otherwise provided by law, he shall have one vote for each share of stock entitled to vote and recorded in his name in the books of the Corporation. At all meetings of the stockholders, all elections and all questions shall be decided by the plurality of vote of stockholders present in person or by proxy and entitled to vote thereat, a quorum being present, except in cases where other provision is made by statute. Unless required by law, or demanded by a stockholder present in person or by proxy at any meeting, and entitled to vote thereat, the vote on any question need not be by ballot. On a vote by ballot, each ballot shall be signed by the stockholder voting, or in his name by proxy if there be such proxy, and shall state the number of shares voted by him.

**Section 9. Proxies** - Any stockholder not present at any annual or special meeting of the stockholders may vote the share or shares standing in his name on the stock transfer books of the Corporation by proxy, such proxy to be dated, signed and to designate the person or persons named as proxy, and these proxies must be filed with the Secretary at least seven (7) business days before the date of the stockholders' meeting, for validation by the Secretary five (5) business days prior to the stockholders meeting for the election of directors. *(As amended on March 4, 2015)*

**Section 10. Election Inspectors** - Two inspectors may be appointed by the Board of Directors before or at each meeting of the stockholders of the corporation, at which an election of directors shall take place; if no such appointment shall have been made or if the inspectors appointed by the Board of Directors refused to act or fail to attend then the appointment may be made by the presiding officer of the meeting. The inspectors shall receive and take charge of all proxies and ballots and shall decide all questions touching upon the qualifications of voters, the validity of proxies, and the acceptance and rejection of votes. In case of a tie by the vote of the inspectors on any question, the presiding officer shall decide.

#### **ARTICLE IV: BOARD OF DIRECTORS**

**Section 1. General Powers** - Unless otherwise provided by law, the powers, business and property of the Corporation shall be exercised, conducted and controlled by the Board of Directors. The Board of directors is the supreme authority in matters of governance and managing the regular and ordinary business of the corporation. Within their chartered authority, the directors acting as a board have the fullest powers to regulate the concerns of the corporation according to their best judgment. It shall be the Board's responsibility to promote and adhere to the

principles and best practices of corporate governance and to foster the long-term success of the corporation and secure its sustained competitiveness in the global environment in a manner consistent with its fiduciary responsibility, which it shall exercise in the best interest of the corporation, its shareholders and other stockholders. The corporation shall conform to requirement to have an independent director or such number of independent directors as may be required by law.

**Section 2. Number, Qualifications & Term of Office** - The number of directors shall be as fixed in the Articles of Incorporation. Each director shall own at least one (1) share of the capital stock of the Corporation, which share shall stand in his name on the books of the Corporation. The directors shall be elected annually in the manner provided in these By-laws and each director shall hold office until the annual meeting held next after his election and until his successor shall have been elected and shall have qualified, or until his death or until he shall resign or shall have been removed in the manner hereinafter provided.

Any registered shareholder may be nominated and elected to the Board of Directors. The Board of Directors, by majority vote, shall pass upon the qualifications of nominees to the Board. It may also, in the exercise of its discretion and by majority vote of its members, disqualify a nominated shareholder who, in the Board's judgment represents an interest adverse to or in conflict with those of the Corporation. Without limiting the generality of the foregoing, the Board may take into consideration the fact that the nominated stockholder is:

- (i) the owner (either of record or as beneficial owner) of five percent (5%) or more of any outstanding class shares of any corporation other than one in which the Corporation owns at least twenty percent (20%) of the capital stock) which is engaged in a business directly competitive to that of the Corporation or any of its subsidiaries or affiliates;
- (ii) an officer, manager or controlling person of, or the owner or any member of his immediate family is the owner (either of record or as beneficial owner) of five percent (5%) or more of any outstanding class of shares of any corporation (other than one in which the Corporation owns of at least twenty percent (20%) of the capital stock) which is an adverse party in any suit, action or proceeding (of whatever nature, whether civil, criminal, administrative or judicial) by or against the Corporation, which has been actually filed or threatened, imminent or probable, to be filed;
- (iii) as determined by the Board of Directors, in the exercise of its judgment in good faith, to be the nominee, officer, trustee, adviser or legal counsel, of any individual set forth in (i) and (ii) hereof.

In determining whether a person has a conflict of interest with the Corporation or is a controlling person, beneficial owner, or the nominee of another, the Board may take into account such factors as business, family and professional relationships.

For proper implementation of this provision, all nominations for election as directors by the stockholders shall be submitted in writing to the Board of Directors the Nomination Committee or Corporate Secretary, at least thirty (30) business days before the date of the regular meeting.

For purposes of this provision, "immediate family" shall mean any person related to another whether by consanguinity or affinity, up to the third civil degree.

Notwithstanding the foregoing, if the authority to determine the qualifications and disqualifications of nominees to the board of directors has been delegated to a Nomination Committee the decision of such Nomination Committee shall be subject to the confirmation by mere majority of the members of the Board of Directors. (As amended on March 7, 2007)

**Section 3. Election of Directors** - At each meeting of the stockholders for the election of directors, at which a quorum is present, the persons receiving the highest number of votes of the stockholders present in person or by proxy and entitled to vote shall be the directors. In case of any increase in the number of directors, the additional directors may be elected by the stockholders (i) at the first annual meeting held after such increase has been approved, (ii) or at a special meeting called for the purpose, or (iii) at the same meeting authorizing the increase of directors if so stated in the notice of the meeting.

#### **Section 4. Nomination and Election of Independent Directors**

**1. INDEPENDENT DIRECTOR.** An independent director shall hold no interests or relationships with the Corporation that may hinder their independence from the Corporation or Management which would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. An independent director shall submit to the Corporate Secretary a letter of confirmation stating that he holds no interest affiliated with the corporation, management or controlling shareholder at the time of his election or appointment and/or re-election as a director.

**2.** Nomination of independent directors shall be conducted by the Board Nomination Committee prior to the Stockholders' Meeting;

3. The Nomination Committee shall prepare a Final List of Candidates from those who have passed the Guidelines, Screening Policies and Parameters for nomination of independent directors and which list shall contain all the information about these nominees;

4. Only nominees whose names appear on the Final List of Candidates shall be eligible for election as Independent Directors. No other nomination shall be entertained after the Final List of Candidates shall have been prepared. No further nomination shall be entertained or allowed on the floor during the actual annual stockholders meeting;

5. In case of resignation, disqualification or cessation of independent directorship and only after notice has been made with the Commission within five (5) days from such resignation, disqualification or cessation, the vacancy shall be filled by the vote of at least a majority of the remaining directors, if still constituting a quorum, upon the nomination of the Nomination Committee otherwise, said vacancies shall be filled by stockholders' in a regular or special meeting called for the purposes. An independent director so elected to fill a vacancy shall serve only the unexpired term of his or her predecessor in office.

All provisions of SRC Rule 38 as amended and all rules and regulations relative to the requirement on nomination and election of independent director/s shall be complied with by the Corporation. *(As amended on April 27, 2006)*

**Section 5. Quorum and Manner of Acting** - Except as otherwise provided by statute, by the Articles of Incorporation or by these By-laws, two-thirds (2/3) of the number of directors specified in the Articles of Incorporation shall constitute a quorum for the transaction of business at any meeting, and the act of a majority of the directors present at any meeting at which there is a quorum shall be valid as a corporate act, except for the election of officers which shall require the vote of a majority of all the members of the Board. In the absence of a quorum, a majority of the directors present may adjourn any meeting from time to time until a quorum be had. Notice of any adjourned meeting need not be given. *(As amended on March 2, 2016)*

**Section 6. Place of Meeting** - The Board of Directors may hold its meeting at the principal office of the Corporation or at such other places within or outside the Republic of the Philippines as the Chairman, and in his absence, the President may from time to time determine.

**Section 7. Organizational Meeting** - The Board of Directors shall meet for the purpose of organization, the election of officers and the transaction of other business, as soon as practicable after each annual election of directors and on the

same day are held. Notice of such meeting need not be given. Such meeting may be held at any other time or place which shall be specified in a notice given as hereinafter provided for special meeting of the Board of Directors or in a consent and waiver of notice thereof signed by all the directors.

**Section 8. Regular Meetings** - Regular meetings of the Board of Directors shall be held at such places and at such times as the Chairman, or in his absence, the President shall from time to time determine. If any day fixed for a regular meeting is to be held, then the meeting which would otherwise be held on that day shall be held at the same hour on the next succeeding business day not a legal holiday. Notice of regular meetings need not be given.

**Section 9. Special Meetings; Notice** - Special meetings of the Board of Directors shall be held when called by the Chairman of the Board, or the President, or by the Secretary at the request of any two (2) or the directors. Notice of each such meeting shall be mailed to each director, addressed to him at his residence or usual place of business, at least two (2) days before the day on which the meeting is to be held, or shall be sent to him at such place by telegraph, cable, or facsimile, or be delivered personally or by telephone, not later than the day before the day on which the meeting is to be held. Every such notice shall state the time and place of the meeting but need not state the purpose thereof except as otherwise in these By-laws expressly provided. Notice of any meeting of the Board need not be given to any director, if waived by him in writing or by telegraph, cable or facsimile whether before or after such meetings is held or if he shall be present at the meeting.

**Section 10. Resignations** - Any director of the Corporation may resign at any time by giving written notice to the Chairman of the Board, the President or the Secretary of the Corporation. The resignation of any director shall take effect at the time specified therein and, unless otherwise specified therein, the acceptance of such resignation shall be necessary to make it effective.

**Section 11. Removal of Directors** - Any director may be removed, either with or without cause, at any time, by the affirmative vote of the stockholders holding or representing at least two-thirds (2/3) of the outstanding capital stock entitled to vote at a regular meeting or at a special meeting of the stockholders called for the purpose and held after due notice as provided in Section 28 of the Corporation Code. The vacancy in the Board caused by any such removal may be filled by the stockholders at such meeting without further notice, or at any regular or at any special meeting called for the purpose after giving notice as prescribed by the Corporate Code.

**Section 12. Vacancies** - Any vacancy in the Board of Directors caused by death, resignation, disqualification, or any other cause, except by removal or

expiration of term may be filled by the majority vote of the remaining directors then in office, constituting a quorum, and each director so elected shall hold office for a term to expire at the next annual election of directors, and until his successor shall be duly elected and qualified, or until his death, resignation or removal in the manner herein provided.

**Section 13. Compensation** - Except for reasonable per diems, directors, as such, shall be entitled to receive only such compensation as may be granted to them by the vote of the stockholders representing at least a majority of the outstanding capital stock at a regular or special meeting of the stockholders. In no case shall the total yearly compensation of directors, as such, exceed 10% of the net income before income tax of the Corporation during the preceding year.

## **ARTICLE V: COMMITTEES**

**Section 1. Executive Committee** - The Board of Directors may, by resolution or resolutions passed by a majority of all its members, create an executive committee whose members shall be appointed by the Board. At least three (3) members of the executive committee shall be members of the Board. Except as provided in Section 35 of the Corporation Code, the executive committee which shall meet in between regular meetings of the Board shall have exercise all powers of the Board. The executive committee shall keep regular minutes of its proceedings and report the same to the Board whenever required. The Board shall have the power to amend or resolutions of the Committee, and to change the members of the Committee at any time, to fill vacancies therein and to discharge or dissolve such committee either with or without cause.

**Section 2. Other Committees** - The majority of all the members of the Board of Directors may by resolutions create other committees with such powers and functions as may be delegated to them by the Board. All such committees shall keep a record of their proceedings and report the same to the Board, whenever required. The Board shall have the power to appoint and remove the members of such committees and may at any time with or without cause dissolve any of such committees.

## **ARTICLE VI: OFFICERS**

**Section 1. Number**- The officers of the Corporation shall be a Chairman of the Board, one or more Vice Chairman, a President, one or more Executive and Senior Vice Presidents, a Secretary, a Treasurer and such other officers as may from time to time be elected or appointed by the Board of Directors. Any two or more positions

may be held concurrently by the same person, except that no one shall act as President and Secretary or as President and Treasurer at the same time.

**Section 2. Election, Term of Office & Qualifications** - The Chairman of the Board, the Vice Chairman, the President, the Executive and Senior Vice President(s), the Secretary and the Treasurer shall be elected annual by affirmative vote of a majority of all the members of the Board of Directors. Each officer shall hold office until his successor is elected and qualified in his stead, or until he shall have resigned or shall have been removed in the manner hereinafter provided. Such other officer as may from time to time be elected or appointed by the Board of Directors shall hold office for such period, have authority and perform such duties as are provided in these By-laws or as Board of Directors may determine. The Chairman of the Board, the Vice Chairman and the President shall be chosen from among the directors, and the Secretary shall be a resident and a citizen of the Philippines.

**Section 3. Removal** - Any officer may be removed, either with or without cause, by the vote of a majority of the whole Board of Directors.

**Section 4. Resignations** - Any officers may resign at any time by giving written notice to the Board of Directors, to the Chairman or Vice Chairman of the Board, or to the President. Any such resignation shall take effect on the date of receipt of such notice or at any later time specified therein; and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

**Section 5. Vacancies** - A vacancy in any office because of death, resignation, removal, disqualification or any other cause may be filled for the unexpired portion of the term by the Board of Directors.

**Section 6. Chairman of the Board** - The Chairman of the Board shall, if present, preside at all meetings of the stockholders and of the Board of Directors. The Chairman shall also perform such other duties as shall from time to time be assigned to him by the Board of Directors.

**Section 7. Vice-Chairman of the Board** - In the absence of the Chairman, any one of the Vice Chairman of the Board shall preside at all meetings of the stockholders and of the Board of Directors. The Vice Chairman shall also perform such other duties as shall from time to time be assigned to them by the Board of Directors.

**Section 8. President** - The President shall be the chief executive officer of the Corporation and, subject to the control of the Board of Directors, shall have general supervision of the business and affairs of the Corporation. He shall, in the absence of

depositories as shall be selected in accordance with the provisions of these By-laws; at all reasonable times exhibits his books of account and record to any of the directors of the Corporation where such books and records are kept; when required by the President or the Board of Directors render a statement of the condition of the finances of the Corporation; receive, and give, or cause to be given, receipts for money due and payable to the Corporation from any source whatsoever, and pay out money as the business of the Corporation may require; and, in general, perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the Board of Directors or by the President.

**Section 12. Compensation** - The Board of Directors shall fix the salaries and bonuses of all officers enumerated in this Article VI. The compensation of all other officers is a director shall not preclude him from receiving a salary or bonus or from voting upon the resolution fixing the same.

**Section 13. Indemnification of Directors and Officers** - The Corporation shall indemnify every director or officer, his heirs, executors and administrators against all cost and expenses reasonably incurred by such person in connection with any civil, criminal, administrative or investigative action, suit or proceeding (other than an action by the Corporation) to which he may be, or is, made a party by reason of his being or having been a director or officer of the corporation, except in relation to matters as to which he shall be finally adjudged in such action, suit or proceeding to be liable for negligence or misconduct.

In the event of a settlement or compromise, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Corporation is advised by counsel that the person to be indemnified did not commit a breach of duty as such director or officer.

The amount payable by way of indemnity shall be determined and paid only pursuant to a resolution adopted by a majority of the member of the Board or Directors.

The cost and expenses incurred in defending the aforementioned action, suit or proceeding may be paid by the Corporation in advance of the final disposition of such action, suit, or proceedings as authorized in the manner provided fir in the preceding paragraph upon receipt of an undertaking by or on behalf of the director or officer to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Corporation as authorized in this Section.

## **ARTICLE VII: Dividends and Finance**

**Section 1. Fiscal Year** – 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 last day of December of each calendar year. *(As amended on July 15, 2005)*

**Section 2. Dividends** – Dividends shall be declared out of the unrestricted retained earnings and shall be payable at such time and in such manner and in such amounts as the Board of Directors and stockholders respectively shall determine. No dividends shall be declared which would impair the capital of the Corporation.

**Section 3. Auditors** – Auditors shall be designated by the Board of Directors prior to the close of the business in each fiscal year, who shall audit and examine the books of account of the Corporation, and shall certify to the Board of Directors and the shareholders the annual balances of said books which shall be prepared at the close of the said year under the direction of the Treasurer. No director or officer of the Corporation, and no firm or corporation of which such officer or director is a member, shall be eligible to discharge the duties of Auditor. The compensation of the Auditor shall be fixed by the Board of Directors.

## **ARTICLE VIII: Seal**

The seal of the Corporation shall indicate the name of the Corporation and the year of its incorporation. And shall be in such design and size as may be approved by the Board of Directors.

## **ARTICLE IX: Amendments**

All By-laws of the Corporation shall be subject to amendment, alteration or repeal, and new By-laws, not inconsistent with any provision of law may be made by the affirmative vote of a majority of the Board of Directors and a majority of the outstanding capital stock of the Corporation entitled to vote in respect thereof, given at an annual meeting or at any special meeting, provided that notices of the proposed amendment, alteration or repeal or of the proposed new By-laws be included in the notice of such meeting.

The Board of Directors may likewise amend, alter or repeal the By-laws or adopt a new By-laws, at any regular or special meeting of the Board of Directors, if authorized by the stockholders as provided in Section 48 of the Corporation Code.

## **ARTICLE X: Manual of Good Corporate Governance**

To aid the Board of directors in the promotion of and adherence to the principles and best practices of good Corporate Governance, the Board shall adopt a Manual of Corporate Governance and amend the same from time to time, and such Manual shall be suppletory to these By-laws

ADOPTED in the City of Manila, Philippines this 18<sup>th</sup> day of January 1960 by the affirmative vote of the undersigned stockholders representing a majority of all the subscribed capital stock of the corporation.

(Sgd.)  
**MARIANO MABASA**

(Sgd.)  
**HENRY SY**

(Sgd.)  
**CHUA GIOK SIM**

(Sgd.)  
**JOHN CHAM**

(Sgd.)  
**YU ENG LUAN**

**ATTEST:**

(Sgd.)  
**MARIANO MABASA**  
President