



## MACONDRAY PLASTICS, INC.

Plant Address : Km 13 Agusan National Highway, Panacan, Davao City  
Tels : (6382) 233 1967 to 68 Fax : (6382) 234 2380  
E-mail : info@macplas.com.ph  
Manila Office : Lapanday Center, 2263 Pasong Tamo Extension, Makati City, Philippines  
Tels : (632) 812-0651 to 55 • (632) 818 8814 Fax : (632) 812-0629  
E-mail : macplas@macondray.com

April 8, 2010

### PHILIPPINE STOCK EXCHANGE, INC.

4<sup>th</sup> Floor, The Philippine Stock Exchange Centre  
Exchange Road, Ortigas Center  
Pasig City

Attention: **Ms. Janet A. Encarnacion**  
*Head, Disclosure Department*

Ladies and Gentlemen:

Macondray Plastics, Inc. (the "Company") wishes to inform the Exchange that the Securities and Exchange Commission (SEC) approved late yesterday afternoon the Company's application for the amendment of its Articles of Incorporation, to reflect the following changes:

1. Change in its corporate name to "Alphaland Corporation";
2. Change in its primary purpose to that of a holding company;
3. Change in company address from KM 13 Agusan National Highway, Brgy. Panacan, Davao City to Alphaland Southgate Tower, 2258 Chino Roces Ave. cor. EDSA, Makati City;
4. Increase in the authorized capital stock to P5 Billion, which was supported by the share-for-share swap with the stockholders of Alphaland Development, Inc. In this regard, the Company's resulting shareholdings is as follows;

Stockholders	Shares	%
RVO Capital Ventures Corporation	142,656,748	10.05%
Others	7,508,252	0.53%
Masrickstar Corporation	609,472,340	42.92%
Alphaland Holdings (Singapore) Pte. Ltd.	507,893,616	35.77%
Boerstar Corporation	126,973,404	8.94%
Azurestar Corporation	25,394,681	1.79%
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TOTAL	1,419,899,041	100%

The SEC also approved the Company's application for the amendment of its By-Laws to provide for the creation of the executive, audit and compensation committees of the Board of Directors.

Please find below the detailed procedure to be undertaken by the Company and its stock transfer agent for the amendment of the Company's stock certificates to reflect the applicable changes brought about by the amendment of its articles of incorporation.

**PROCEDURE/GUIDELINES FOR  
THE REPLACEMENT OF STOCK CERTIFICATES**

The updated stock certificates of Alphaland Corporation (*formerly Macondray Plastics, Inc.*) will be ready for pick-up within fifteen (15) business days from receipt of the old stock certificates by the Stock & Transfer Agent,

**STOCK TRANSFER SERVICE, INC.**

**Contact Person:** Mr. Richard D. Regala

**Business Address:** 34th Floor, Rufino Pacific Tower, 6784 Ayala Aveue, Makati City

**Tel. No:** 403-2410 / 403-2412

**E-mail Address:** rdregala@stocktransfer.com.ph

1) Stockholders must surrender the old certificates and claim the corresponding replacement stock certificates:

*a. By personal appearance*

Individual shareholders who will personally surrender their old certificates and claim their new stock certificates will be required to present two (2) valid identification cards (I.Ds), one of which must be government issued;

*b. Through authorized representatives*

Shareholders' authorized representatives will be required to present a duly notarized letter of authority, two (2) valid identification cards of the stockholder, one of which must be government issued, and two (2) valid identification cards of the representative, one of which must be government issued;

*c. Via registered mail*

Stockholders who will surrender their old stock certificates by mail must also attach an instruction letter. The replacement stock certificate will be sent within one (1) to two (2) weeks through registered mail.

2) For purposes of updating the stock and transfer records:

a. Individual stockholders will be requested to accomplish a signature card and must submit one (1) identification picture (photograph, ID-size) and a photocopy of at least two (2) valid identification cards;

b. Corporate stockholders shall submit a copy of their latest Articles of Incorporation & By-Laws, General Information Sheet, and a Secretary's Certificate naming all the authorized signatories of the corporate shareholder with their corresponding specimen signatures appearing thereon. A photocopy of each signatory's valid identification cards with photograph thereon must also be submitted.

3) In case of lost certificate(s), the shareholder is required to submit an Affidavit of Loss and an Affidavit of Publication certifying that the publication was made once a week for three (3) consecutive weeks. A sample cut-out of the published details of the certificate must accompany

the Affidavit of Publication. Replacement of lost stock certificates will be made after one (1) year from the last day of publication. If the stockholder wishes to expedite the replacement, a surety bond must be submitted, insuring 100% of the value of the lost shares in any non-life insurance company. The replacement is on a per certificate basis and is free of charge. In case of a request to split the shares into multiple certificates, there will be a transfer fee of P100.00 and P20.00 cancellation fee (plus 12% VAT) per certificate.

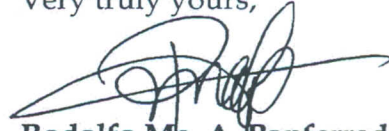
For further assistance regarding the matter, please call Mr. Richard Regala at telephone number 403-2410 / 403-2412.

The Company also received the approval for the change of its trading symbol from "MRAY" to "ALPHA" dated April 7, 2010.

We enclose herewith true copies of the Company's Amended Articles of Incorporation and By-Laws.

We trust that you find everything in order.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Rodolfo Ma. A. Ponferrada', is written over a horizontal line.

**Rodolfo Ma. A. Ponferrada**  
Corporate Information Officer



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

COMPANY REG. NO. 183835

**CERTIFICATE OF APPROVAL OF INCREASE OF CAPITAL STOCK**

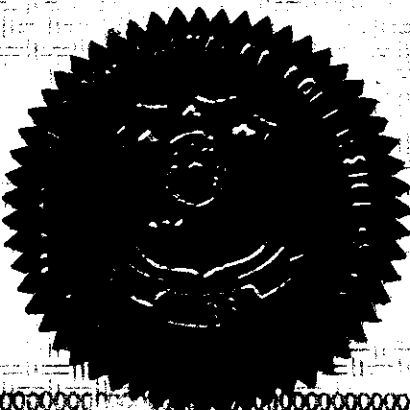
**KNOW ALL PERSONS BY THESE PRESENTS:**

This is to certify that the increase of capital stock of the

**ALPHALAND CORPORATION**  
(Formerly: Macondray Plastics, Inc.)

from P400,000,000.00 divided into 400,000,000 shares with the par value of P1.00 each, to P5,000,000,000.00 divided into 5,000,000,000 shares with the par value of P1.00 each, approved by majority of the Board of Directors on November 18, 2009 and by the vote of the stockholders owning or representing at least two-thirds of the outstanding capital stock at a meeting held on December 23, 2009 certified to by the Chairman and the Secretary of the stockholders' meeting and a majority of the Board of Directors of the corporation, was approved by the Commission on the date indicated hereunder in accordance with the provision of Section 38 of the Corporation Code of the Philippines (Batas Pambansa Blg. 68), approved on May 1, 1980. A copy of the Certificate of Increase of Capital Stock filed with the Commission is attached hereto.

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 7<sup>th</sup> day of April, Twenty Ten.



  
**BENITO A. CATARAN**  
Director

Company Registration and Monitoring Department







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

COMPANY REG. NO. 183835

**CERTIFICATE OF FILING  
OF  
AMENDED ARTICLES OF INCORPORATION**

**KNOW ALL PERSONS BY THESE PRESENTS:**

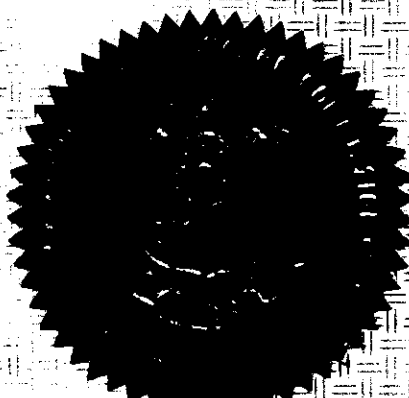
This is to certify that the amended articles of incorporation of the

**ALPHALAND CORPORATION**  
(Formerly: Macondray Plastics, Inc.)  
(Amending Articles I, II, III and VII thereof)

copy annexed, adopted on November 18, 2009 by a majority vote of the Board of Director and on December 23, 2009 by the vote of the stockholders owning or representing at least two-thirds of the outstanding capital stock and certified under oath by the Secretary and a majority of the Board of Directors of the corporation was approved by the Commission on this date pursuant to the provision of Section 16 of the Corporation Code of the Philippines, Batas Pambansa Big. 68, approved on May 1, 1980 and copies thereof are filed with the Commission.

Unless this corporation obtains or already has obtained the appropriate Secondary License from this Commission, this Certificate does not authorize it to undertake business activities requiring a Secondary License from this Commission such as, but not limited to acting as: broker or dealer in securities, government securities eligible dealer (GSED), investment adviser of an investment company, close-end or open-end investment company, investment house, transfer agent, commodity/financial futures exchange/broker/merchant, financing company, pre-need plan issuer, general agent in pre-need plans and time shares/club shares/ membership certificates issuers or selling agents thereof. Neither does Certificate constitute as permit to undertake activities for which other government agencies require a license or permit.

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 7<sup>th</sup> day of April, Twenty Ten.



*Benito A. Cataran*  
**BENITO A. CATARAN**  
Director

Company Registration and Monitoring Department

AMENDED ARTICLES OF INCORPORATION

OF

ALPHALAND CORPORATION  
(formerly, Macondray Plastics, Inc.)  
(as amended on 23 December 2009)

KNOW ALL MEN BY THESE PRESENTS:

That we, all of legal age, citizens and residents of the Republic of the Philippines, have this day voluntarily associated ourselves together for the purpose of forming a corporation under the laws of the Philippines.

AND WE HEREBY CERTIFY:

FIRST: That the name of the said corporation shall be:

ALPHALAND CORPORATION  
(as amended on 23 December 2009)

SECOND: That the purposes for which the said corporation is formed are:

PRIMARY PURPOSE

To acquire by purchase, negotiation or otherwise and to hold for investment or mortgage, pledge or otherwise deal with or dispose of stocks, bonds or any other obligations or securities of any entity or entities; to aid in any manner any entity whose stocks, bonds or other obligations are held or in any manner guaranteed by the corporation or in which the corporation is in any way interested; to do any other acts or things for the preservation, protection, improvement, or enhancement of the value of any such stocks, bonds, or other obligations; to exercise all the rights, powers and privileges of ownership, of every kind and description including the right to vote thereon, with the power to designate some entity or entities for that purpose from time to time to the same extent as natural persons might or could; provided, it shall not engage as a stock broker or dealer of securities. (as amended on 23 December 2009)

## SECONDARY PURPOSES

To purchase, subscribe to or otherwise acquire and own, hold, use, sell, assign, transfer, mortgage, pledge, exchange or otherwise dispose of real and personal properties for every nature, kind and description, including shares of stock, bonds, debentures, notes, evidences of indebtedness and other securities, contracts or obligations of any corporation, association, domestic or foreign, and to pay therefor in whole or in part in cash or by exchanging stocks, bonds or other evidences of indebtedness or securities of this or any other corporation, and while the owner or holder of any such real or personal properties, stock, bonds, debentures, notes, evidences of indebtedness or other securities, contracts or obligations, to receive, collect and dispose of the interest, dividends and income arising from such property, and to possess and exercise in respect thereof, all the rights, powers and privileges of ownership, including all voting powers on any stocks so owned (as amended on 30 June 2000)

AND IN FURTHERANCE OF THE PURPOSES AFORESTATED, the corporation shall have the following incidental powers (as amended on 30 June 2000) -

1. To purchase, acquire, own lease, sell and convey real properties such as lands, buildings, factories and warehouses and machineries, equipment and other personal properties as may be necessary or incidental to the conduct of the corporate business, and to pay in cash, shares of its capital stock, debentures and other evidences of indebtedness, or other securities, as may be deemed expedient, for any business or property acquired by the corporation.

2. To borrow or raise money necessary to meet the financial requirements of its business by the issuance of bonds, promissory notes and other evidences of indebtedness, and to secure the repayment thereof by mortgage, pledge, deed of trust or lien upon the properties of the corporation or to issue, pursuant to law, shares of its capital stock, debentures and other evidences of indebtedness in payment for properties acquired by the corporation or for money borrowed in the prosecution of its lawful business;

3. To invest and deal with the money and properties of the corporation in such manner as may from time to time be considered wise or expedient for the advancement of its interests and to sell, dispose of or transfer the business, properties and goodwill of the corporation or any part thereof for such consideration and under such terms as it shall see fit to accept;

4. To aid in any manner any corporation, association, or trust estate, domestic or foreign, or any firm or individual, any shares of stock in which or any bonds, debentures, notes, securities, evidences of indebtedness, contracts, or obligations of which are held by or for this corporation, directly or indirectly or through other corporations or otherwise.

5. To enter into any lawful arrangement for sharing profits, union of interest, unitization or farmout agreement, reciprocal concession, or cooperation, with any corporation, association, partnership, syndicate, entity, person or governmental, municipal or public authority, domestic or foreign, in the carrying on of any business or transaction deemed necessary, convenient or incidental to carrying out any of the purposes of this corporation;

6. To acquire or obtain from any government or authority, national, provincial, municipal or otherwise, or any corporation, company or partnership or person, such charter, contracts, franchise, privileges, exemption, licenses and concessions as may be conducive to any of the objects of the corporation;

7. To establish and operate one or more branch offices or agencies and to carry on any of all of its operations and business without any restrictions as to place or amount including the right to hold, purchase or otherwise acquire, lease, mortgage, pledge and convey or otherwise deal in and with real and/or personal property anywhere within the Philippines;

8. To conduct and transact any and all lawful business, and to do or cause to be done any one or more of the acts and things herein set forth as its purposes, within or without the Philippines, and in any and all foreign countries, and to do everything necessary, desirable or incidental to the accomplishment of the purposes or the exercise of any one or more of the powers herein enumerated, or which shall at any time appear conducive to or expedient for the protection or benefit of this corporation;

THIRD: That the place where the principal office of the corporation is to be established or located at Alphaland Southgate Tower, 2258 Chino Roces Avenue corner EDSA, Makati City. (as amended on 23 December 2009)

FOURTH: That the term for which said corporation is to exist is fifty (50) years from and after the date of incorporation.

FIFTH: That the names, nationalities and residences of the incorporators of said corporation are as follows:

<u>Name</u>	<u>Nationality</u>	<u>Address</u>
LUIS F. LORENZO	Filipino	1880 Dr. Vasquez Street, Malate, Metro Manila
LUIS P. LORENZO, JR.	Filipino	1404 Ritz Towers, Ayala Avenue, Makati, Metro Manila
JESUS M. MANALASTAS	Filipino	12 J. La Colina Road, Manbugan, Antipolo, Rizal



MARTIN P. LORENZO	Filipino	Unit 7, Manila Polo Club Townhouses, Forbes Park, Makati, Metro Manila
TOMAS AGUSTIN P. LORENZO	Filipino	1880 Cr. Vasquez Street, Malate, Metro Manila

SIXTH: That the number of directors of said corporation shall be seven (7) and that the names, nationalities and residences of the directors who are to serve until their successors are elected and qualified as provided by the by-laws are as follows (as amended on 15 September 1999):

<u>Name</u>	<u>Nationality</u>	<u>Address</u>
LUIS F. LORENZO	Filipino	1880 Dr. Vasquez Street, Malate, Metro Manila
LUIS P. LORENZO, JR.	Filipino	1404 Ritz Towers, Ayala Avenue, Makati, Metro Manila
JESUS M. MANALASTAS	Filipino	12 J. La Colina Road, Manbugan, Antipolo, Rizal
MARTIN P. LORENZO	Filipino	Unit 7, Manila Polo Club Townhouses, Forbes Park, Makati, Metro Manila
TOMAS AGUSTIN P. LORENZO	Filipino	1880 Cr. Vasquez Street, Malate, Metro Manila

SEVENTH: That the authorized capital stock of said corporation is **FIVE BILLION PESOS (₱5,000,000,000.00)** Philippine Currency, and said capital stock is divided into **FIVE BILLION (5,000,000,000)** common shares with a par value of One Peso (₱1.00) each share. *(as amended on 23 December 2009)*

EIGHTH: That the amount of said capital stock which has been actually subscribed is Two Million Five Hundred Thousand Pesos (₱2,500,000.00) and the following persons have subscribed for the number of shares and the amount of capital stock indicated opposite their respective names:

<u>Name</u>	<u>Citizenship</u>	<u>No. of Shares</u>	<u>Amount Subscribed</u>
LUIS F. LORENZO	Filipino	1,749,900	₱1,749,900.00
LUIS P. LORENZO, JR.	Filipino	250,000	₱250,000.00

JESUS M. MANALASTAS	Filipino	100	100.00
MARTIN P. LORENZO	Filipino	250,000	250,000.00
TOMAS AGUSTIN P. LORENZO	Filipino	250,000	250,000.00
<b>TOTAL</b>			<b>₱2,500,000.00</b>

NINTH: That the following persons have paid on the shares of capital stock for which they have subscribed, the amount set out after their respective names:

<u>Name</u>	<u>Amount Paid</u>
LUIS F. LORENZO	₱ 437,475.00
LUIS P. LORENZO, JR.	62,500.00
JESUS M. MANALASTAS	25.00
MARTIN P. LORENZO	62,500.00
TOMAS AGUSTIN P. LORENZO	62,500.00
<b>TOTAL</b>	<b>₱ 625,000.00</b>

TENTH: That no issuance or transfer of shares of stock of the corporation which would reduce the stock ownership of Filipino citizens to less than the percentage of the outstanding capital stock required by law to be owned by Filipino citizens, shall be allowed or permitted to be recorded in the books of the corporation. This restriction shall be printed or indicated in all the certificates of stock to be issued by the corporation.

TENTH-A: That holders of common shares shall have no pre-emptive right with respect to all issues or disposition of shares of the present capital or on future/subsequent classes of shares and increase in the capital stock of the corporation. (as amended on 15 September 1999)

ELEVENTH: That MARTIN P. LORENZO has been elected by the subscribers as Treasurer of the corporation to act as such until his/her successor is duly elected and shall have qualified in accordance with the by-laws; and that, as such Treasurer, he/she has been authorized to receive for the corporation, and to issue in its name receipts for, all subscriptions paid in by the subscribers.

IN WITNESS WHEREOF, we have hereunto set our hands this 14<sup>th</sup> day of November 1990 at Makati, Metro Manila, Philippines.

(Sgd) Luis F. Lorenzo

(Sgd) Luis P. Lorenzo, Jr.

(Sgd) Martin P. Lorenzo

(Sgd) Jesus M. Manalastas

(Sgd) Tomas Agustin P. Lorenzo

Signed in the presence of :

(Sgd) Illigible

(Sgd) Illigible

**ACKNOWLEDGMENT**

Republic of the Philippines)  
Makati, Metro Manila )S.S.

BEFORE ME, a Notary Public in and for Makati, Philippines, this 14<sup>th</sup> day of November 1990, personally appeared:

Name	Res. Cert. No.	Date & Place Issued
Luis F. Lorenzo	13114556Z	1/6/90; Davao City
Luis P. Lorenzo, Jr.	14081640J	1/19/90; Davao City
Jesus M. Manalastas	5440953	2/26/90; Makati
Martin P. Lorenzo	14081647	1/19/90; Davao City
Tomas Agustin P. Lorenzo	14081644	1/19/90; Davao City

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my notarial seal on the date and at the place first above-written.

Bernard B. Lopez

Notary Public

Until December 31, 1991

PTR. No. 811934; 4/17/90 - Makati

IBP No. 292060; 3/26/90 - Davao

Doc. No. 125;

Page No. 26;

Book No. I;

Series of 1990.



REPUBLIC OF THE PHILIPPINES  
SECURITIES AND EXCHANGE COMMISSION

SEC Bldg., EDSA, Greenhills  
City Of Mandaluyong, Metro Manila

COMPANY REG. NO. 183835

CERTIFICATE OF FILING  
OF  
AMENDED BY-LAWS

KNOW ALL PERSONS BY THESE PRESENTS:

This is to certify that the Amended By-Laws of

**ALPHALAND CORPORATION**  
(Formerly: Macondray Plastics, Inc.)

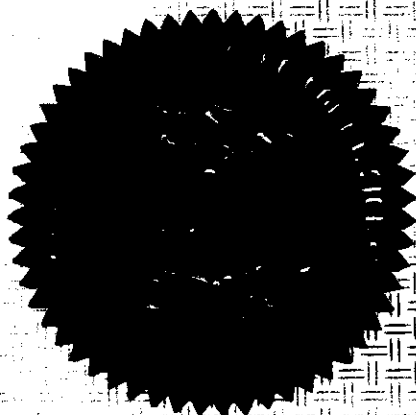
copy annexed, adopted on November 18, 2009 by a majority vote of the Board of Directors and on December 23, 2009 by the vote of the stockholders owning or representing at least two-thirds of the outstanding capital stock, and certified under oath by the Corporate Secretary and majority of the said Board was approved by the Commission on this date pursuant to the provisions of Section 48 of the Corporation Code of the Philippines Batas Pambansa Bil. 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 7th day of April, Twenty Ten.

  
BENITO A. CATARAN

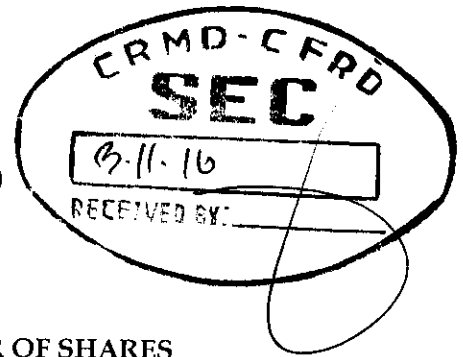
Director

Company Registration and Monitoring Department





AMENDED BY-LAWS  
OF  
ALPHALAND CORPORATION  
(formerly, Macondray Plastics, Inc.)  
(as amended on 23 December 2009)



ARTICLE I

SUBSCRIPTION, ISSUANCE AND TRANSFER OF SHARES

Section 1. Subscriptions - Subscribers to the capital stock of the corporation shall pay to the corporation the subscription value or price of the stock in accordance with the terms and conditions prescribed by the Board of Directors. Unpaid subscriptions shall not earn interest unless determined by the Board of Directors.

Section 2. Certificates - Each stockholder shall be entitled to one or more certificates for such fully paid stock subscription in his name in the books of the Corporation. The certificates shall contain the matters required by law and the Articles of Incorporation. They shall be in such form and design as may be determined by the Board of Directors and numbered consecutively. The certificates, which must be issued in consecutive order, shall bear the signatures of the President and Secretary or Assistant Secretary, which signatures must be made manually or by stamping a facsimile thereof, and sealed with the corporate seal. (as amended on 30 June 2000)

Section 3. Transfer of Shares - Subject to the restrictions, terms and conditions contained in the Articles of Incorporation, shares may be transferred, sold, ceded, assigned or pledged by delivery of certificates duly indorsed by the stockholder, his attorney-in-fact or other legally authorized person. The transfer shall be valid and binding on the corporation only upon record thereof in the books of the corporation, cancellation of the certificate surrendered to the Secretary, and issuance of a new certificate to the transferee.

No shares of stock against which the corporation holds unpaid claim shall be transferrable in the books of the corporation.

All certificates surrendered for transfer shall be stamped "Cancelled" on the face thereof, together with the date of the cancellation, and attached to the corresponding stub with the certificate book.

Section 4. Lost Certificates - In case any certificate for the capital stock of the corporation is lost, stolen or destroyed, a new certificate may be issued in lieu thereof in accordance with the procedure described under Section 73 of the Corporation Code.

ARTICLES II

MEETINGS OF THE STOCKHOLDERS

Section 1. Regular Meetings - The regular meeting of stockholders, for purpose of electing directors and for the transaction of such business as may properly come before the meeting, shall be held at the principal office on every last Wednesday of May of each year, if a legal holiday, then on the day following. (as amended in 30 June 2000)

**Section 2. Special Meeting** - The special meetings of stockholders, for any purpose or purposes, may at any time be called by any of the following: (a) Board of Directors, at its own instance, or at the written request of stockholders representing a majority of the outstanding capital stock, (b) President.

**Section 3. Place of Meeting** - Stockholders' meetings, whether regular or special, shall be held in 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 4. Notice of Meeting** - Notices for regular or special meetings of stockholders may be sent by the Secretary by personal delivery or by mail at least two (2) weeks prior to the date of the meeting to each stockholder of record at his last known address or by publication in a newspaper of general circulation. The notice shall state the place, date and hour of the meeting, and the purpose or purposes for which the meeting is called. In case of special meetings, only matters stated in the notice can be subject of motions or deliberations at such meeting.

When the meeting of stockholders is adjourned to another time or place, it shall not be necessary to give any notice of the adjourned meeting if the time and place to which the meeting is adjourned are announced at the meeting at which the adjournment is taken. At the reconvened meeting, any business may be transacted that might have been transacted on the original date of the meeting.

**Section 5. Quorum** - Unless otherwise provided by law, in all regular or special meetings of stockholders, a majority of the outstanding capital stock must be present or represented in order to constitute a quorum. If no quorum is constituted, the meeting shall be adjourned until the requisite amount of stock shall be present.

**Section 6. Conduct of Meeting** - Meeting of the stockholders shall be presided over by the Chairman of the Board, or in his absence, the President, or if none of the foregoing is in office and present and acting, by a chairman to be chosen by the stockholders. The Secretary, shall act as secretary of every meeting, but if not present, the chairman of the meeting shall appoint a secretary of the meeting. The chairman of the meeting may adjourn the meeting from time to time, without notice other than announced at the meeting.

**Section 7. Manner of Voting** - At all meetings of stockholders, a stockholder may vote in person or by proxy executed in writing by the stockholder or his duly authorized attorney-in-fact. Unless otherwise provided in the proxy, it shall be valid only for the meeting at which it has been presented to the Secretary.

All proxies must be in the hands of the Secretary before the time set for the meeting. Such proxies filed with the Secretary may be revoked by the stockholders either in an instrument in writing duly presented and recorded with the Secretary, prior to a scheduled meeting or by their personal presence at the meeting.

**Section 8. Closing of Transfer Books or Fixing of Record Date** - For the purpose of determining the stockholders entitled to notice of, or to vote at, any

meeting of stockholders or any adjournment thereof, or to receive payment of any dividend, or of making a determination of stockholders for any other purpose, the Board of Directors may provide that the stock and transfer books be closed for a stated period, but not to exceed twenty (20) days. If the stock and transfer books be closed for the purpose of determining stockholders entitled to notice of, or to vote at, a meeting of stockholders, such books shall be closed for at least ten (10) working days immediately preceding such meeting. In lieu of closing the stock and transfer books, the Board of Directors may fix in advance a date as the record date shall in no case be more than twenty (20) days prior to the date, on which the particular action requiring such determination of stockholders is to be taken, except in instances where applicable rules and regulations provided otherwise.

### ARTICLE III

#### BOARD OF DIRECTORS

**Section 1. Powers of the Board** - Unless otherwise provided by law, the corporate powers of the corporation shall be executed, all business conducted and all property of the corporation controlled and held by the Board of Directors to be elected by and from among the stockholders. Without prejudice to such powers as may be granted by law, the Board of Directors shall also have the following express powers:

- a) From time to time, to make and change rules and regulations not inconsistent with these by-laws for the management of the corporation's business and affairs;
- b) To purchase, receive, take or otherwise acquire in any lawful manner, for and in the name of the corporation, any and all properties, rights, or privileges, including securities and bonds of other corporations, as the transaction of the business of the corporation may reasonably or necessarily require, for such consideration and upon such terms and conditions as the Board may deem proper or convenient;
- c) To invest the funds of the corporation in other corporations or business or for any other purpose other than those for which the corporation was organized, whenever in the judgment of the Board of Directors the interest of the corporation would thereby be promoted, subject to such stockholders' approval as may be required by law;
- d) To incur such indebtedness as the Board may deem necessary, and for such purpose, to make and issue evidence of such indebtedness, including without limitation, notes, deeds of trust, bonds, debentures, or securities, subject to such stockholders' approval as may be required by law, and/or pledge, mortgage, or otherwise encumber all or part of the properties of the corporation;
- e) To guarantee, for and in behalf of the corporation obligations of other corporations or entities in which it has lawful interest;

f) To make provisions of the discharge of the obligations of the corporation as they mature, including payment for any property, or in stocks, bonds, debentures, or other securities of the corporation lawfully issued for the purpose;

g) To sell, lease, exchange, assign, transfer or otherwise dispose of any property, real or personal, belonging to the corporation whenever in the Board's judgment, the corporation's interest would thereby be promoted;

h) To establish pension, retirement, bonus, profit-sharing or other types of incentives or compensation plans for the employees, including officers and directors of the corporation and to determine the persons to participate in any such plans and the amount of their respective participation in any such plans and the amount of their respective participation;

i) To prosecute, maintain, defend, compromise or abandon any lawsuit in which the corporation or its officers are either plaintiffs or defendants in connection with the business of the corporation, and likewise, to grant installments for the payments or settlements of whatsoever debts are payment to the corporation;

j) To delegate, from time to time, any of the powers of the Board which may lawfully be delegated in the course of the current business or businesses of the corporation to any standing or special committee or to any officer or agent and to appoint any persons to be agents of the corporation with such powers (including the power to sub-delegate) and upon such terms as may be deemed fit;

k) To implement these by-laws and to act on any matter not covered by these by-laws, provided such matter does not require the approval or consent of the stockholders under any existing law, rules or regulations.

**Section 2. Election and Term** - The Board of Directors shall be elected during each regular meeting of stockholders and shall hold office for one (1) year and until their successors are elected and qualified.

a) There shall be at least two (2) independent directors or such number of independent directors as shall constitute at least 20% of the members of the Board, whichever is less. For this purpose, an independent director shall mean a person other than an officer or employee of the Company, its parent or subsidiaries, or any other individual having a relationship with the Company which would interfere with the exercise of independent judgment in carrying out the responsibility of a director and as may be further defined by law or regulation from time to time.

The Nomination Committee of the Board shall have at least three members, one of whom shall be an independent director. The Nomination Committee shall promulgate guidelines for the nomination and screening of independent directors consistent with the then current requirements of law or regulation.

The conduct of the election of independent directors shall be in accordance with the standard election procedures for regular directors as provided in these by-laws, subject to such special rules as may be required by law or regulation from time to time.

It shall be the responsibility of the Chairman of the Meeting to inform all stockholders in attendance of the mandatory requirement of electing independent directors, and to ensure that independent directors are elected during the stockholders meeting.

Specific slots for independent directors shall not be filled up by unqualified nominees.

In case of failure of election for independent directors, a separate election shall be called to fill up the vacancy. (as amended on 25 May 2005)

**Section 3. Vacancies** - Any vacancy occurring in the Board of Directors other than by removal by the stockholders or by expiration of term, may be filled by the vote of at least a majority of the remaining directors, if still constituting a quorum; otherwise, the vacancy must be filled by the stockholders at a regular or at any special meeting of stockholders called for the purpose. A director so elected to fill a vacancy shall be elected only for the unexpired term of his predecessor in office.

Any directorship to be filled by reason of an increase in the number of directors shall be filled only by an election at a regular or at a special meeting of stockholders duly called for the purpose, or in the same meeting authorizing the increase of directors if so stated in the notice of the meeting.

The vacancy resulting from the removal of a director by the stockholders in the manner provided by law may be filled by election at the same meeting of stockholders without further notice, or at any regular or at any special meeting of stockholders called for the purpose, after giving notice as prescribed in these by-laws.

**Section 4. Meetings** - Regular meetings of the Board of Directors shall be held once every quarter of the year on such dates and at such times and places as the Chairman of the Board, or in his absence, the President, or upon the request of a majority of the directors and shall be held at such places as may be designated in the notice.

**Section 5. Notice** - Notice of the regular or special meeting of the Board, specifying the date, time and place of the meeting, shall be communicated by the Secretary to each director personally, or by telephone, telegram, or by written or oral message. A director may waive this requirement, either expressly or impliedly.

**Section 6. Quorum** - A majority of the number of directors, as fixed in the Articles of Incorporation, shall constitute a quorum for the transaction of corporate business, and every decision of at least a majority of the directors present at a 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.

**Section 7. Conduct of the Meetings** - Meetings of the Board of Directors shall be presided over by the Chairman of the Board, or in his absence, the President



or if none of the foregoing is in office or present and acting, by any other director chosen by the Board. The Secretary shall act as secretary of every meeting, if not present, the Chairman of the meeting shall appoint a secretary of the meeting.

**Section 8. Compensation** - By resolution of the Board, each director shall receive a reasonable per diem allowance for his attendance at each meeting of the Board. As compensation, the Board shall receive and allocate an amount of not more than ten percent (10%) of the net income before income tax of the corporation during the preceding year. Such compensation shall be determined and apportioned among the directors in such manner as the Board may deem proper subject to approval of the stockholders representing at least a majority of the outstanding capital stock at a regular or special meeting of the stockholders.

**Section 9. Executive Committee** - There is hereby created an Executive Committee composed of three (3) members, all of whom must be members of the Board of Directors.

The Executive Committee may act, by majority vote of all its members, on such specific matters within the competence of, and as may be delegated by the Board of Directors.

During every meeting of the Board of Directors, the Executive Committee shall report in summary form all matters acted upon by it, all of which matters shall be considered ratified unless otherwise expressly revoked.

**Section 10. Audit Committee** - The Audit Committee shall be composed of at least three (3) board members, preferably with accounting and finance background, two of whom shall be independent directors and at least one of whom should have related audit experience. The Chairman of this committee should be an independent director. He should be responsible for inculcating in the minds of the Board members the importance of management responsibilities in maintaining a sound system of internal control and the Board's oversight responsibility.

The Audit Committee shall the following specific functions:

a. Provide oversight over the senior management's activities in managing credit, market, liquidity, operational, legal and other risks of the Corporation. This function shall include receiving from senior management periodic information on risk exposures and risk management activities.

b. Provide oversight of the Corporation's internal and external auditors;

c. Review and approve audit scope and frequency, and the annual internal audit plan;

d. Discuss with the external auditor before the audit commences the nature and scope of the audit, and ensure coordination where more than one audit firm is involved;

e. Be responsible for the setting-up of an internal audit department and consider the appointment of an internal auditor as well as an independent external auditor, the audit fee and any question of resignation or dismissal;

f. Monitor and evaluate the adequacy and effectiveness of the Corporation's internal control system;

g. Receive and review reports of internal and external auditors and regulatory agencies, where applicable, and ensure that management is taking appropriate corrective actions, in a timely manner in addressing control and compliance functions with regulatory agencies;

h. Review the quarterly, half-year and annual financial statements before submission to the Board, focusing particularly on:

- i. Any change/s in accounting policies and practices
- ii. Major judgmental areas
- iii. Significant adjustments resulting from the audit
- iv. Going concern assumption
- v. Compliance with accounting standards
- vi. Compliance with tax, legal, and stock exchange requirements

i. Be responsible for coordinating, monitoring and facilitating compliance with existing laws, rules and regulations. It may also constitute a Compliance Unit for this purpose.

j. Evaluate and determine non-audit work by external auditor and keep under review the non-audit fees paid to the external auditor both in relation to their significance to the auditor and in relation to the company's total expenditure on consultancy. The non-audit work should be disclosed in the annual report.

k. Establish and identify the reporting line of the chief audit executive so that the reporting level allows the internal audit activity to fulfill its responsibilities. The chief audit executive shall report directly to the Audit Committee functionally. The Audit Committee shall ensure that the internal auditors shall have free and full access to all the company's records, properties and personnel relevant to the internal audit activity and that the internal audit activity should be free from interference in determining the scope of internal auditing examinations, performing work, and communicating results, and shall provide a venue for the Audit Committee to review and approve the annual internal audit plan

Section 11. Compensation Committee - The Board may constitute a Compensation or Remuneration Committee which may be composed of at least three (3) members, one of whom should be an independent director. It may establish a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration packages of corporate officers and directors, and provide oversight over remuneration of senior management and other key personnel ensuring that compensation is consistent with the

corporation's culture, strategy and control environment. (As amended on 23 December 2009)

## ARTICLE IV

### OFFICERS

**Section 1. Election / Appointment** - Immediately after their election, the Board of Directors shall formally organize by electing the Chairman, the President, one or more Vice-President, the Treasurer, and the Secretary at said meeting.

The Board may, from time to time, appoint such other officers as it may determine to be necessary or proper.

Any two (2) or more positions may be held concurrently by the same person, except that no one shall act as President and Treasurer or Secretary at the same time.

**Section 2. Chairman of the Board** - The Chairman shall preside at the meetings of the directors and the stockholders. He shall also exercise such powers and perform such duties as the Board of Directors may assign to him.

**Section 3. President** - The President, who shall be a director, shall be the Chief Executive Officer of the corporation and shall also have administration and direction of the day-to-day business affairs of the corporation. He shall exercise the following functions:

- a) To preside at the meetings of the Board of Directors and of the stockholders in the absence of the Chairman of the Board of Directors;
- b) To initiate and develop corporate objectives and policies and formulate long range projects, plans and programs for the approval of the Board of Directors, including those for executive training, development and compensation;
- c) To have general supervision and management of the business affairs and property of the corporation;
- d) To ensure the administrative and operational policies of the corporation under his supervision and control;
- e) Subject to the guidelines prescribed by law, to appoint, remove, suspend or discipline employees of the corporation, prescribe their duties, and determine their salaries;
- f) To oversee the preparation of the budgets and the statements of accounts of the corporation;
- g) To represent the corporation at all functions and proceedings;
- h) To execute on behalf of the corporation all contracts, agreements and other instruments affecting the interests of the corporation which require the

approval of the Board of Directors, except as otherwise directed by the Board of Directors;

- i) To make reports to the Board of Directors and stockholders;
- k) To sign certificates of stock;
- l) To perform such other duties as are incident to his office or are entrusted to him by the Board of Directors.

The President may assign the exercise or performance of any of the foregoing powers, duties and functions to any other officer (s), subject always to his supervision and control.

**Section 4. The Vice President(s)** - If one or more Vice Presidents are appointed, he/they shall have such powers and shall perform such duties as may from time to time be assigned to him/them by the Board of Directors or by the President.

**Section 5. The Secretary** - The Secretary must be a resident and a citizen of the Philippines. He shall be the custodian of and shall maintain the corporate books and records and shall be the recorder of the corporation's formal actions and transactions. He shall have the following specific powers and duties:

- a.) To record or see to the proper recording of the minutes and transactions of all meetings of the directors and the stockholders and to maintain minute books of such meetings in the form and manner required by law;
- b) To keep record books showing the details required by law with respect to the stock certificates of the corporation, including ledgers and transfer books showing all shares of the corporation subscribed, issued and transferred;
- c) To keep the corporate seal and affix it to all papers and documents requiring a seal, and to attest by his signature all corporate documents requiring the same;
- d) To attend to the giving and serving of all notices of the corporation required by law or these by-laws to be given;
- e) To certify to such corporate acts, countersign corporate documents or certificates, and make reports or statements as may be required of him by law or by government rules and regulations;
- f) To act as inspector at the election of directors and, as such, to determine the number of shares of stock outstanding and entitled to vote, the shares of stock represented at the meeting, the existence of a quorum, the validity and effect of proxies, and to receive votes, ballots or consents, hear and determine all challenges and questions arising in connection with the right to vote, count and tabulate all votes, ballots or consents, determine the result, and do such acts as are proper to conduct the election or vote. The Secretary may assign the exercise or performance of

any or all of the foregoing duties, powers and functions to any other person or person, subject always to his supervision and control;

g) To perform such other duties as are incident to his office or as may be assigned to him by the Board of Directors or the President.

**Section 6.     The Treasurer** - The Treasurer of the corporation shall be its chief fiscal officer and the custodian of its funds, securities and property. The Treasurer shall have the following duties:

a) To keep full and accurate accounts of receipts and disbursements in the books of the corporation;

b) To have custody of, and be responsible for, all the funds, securities and bonds of the corporation;

c) To deposit in the name and to the credit of the corporation, in such banks as may be designated from time to time by the Board of Directors, all the moneys, funds, securities, bonds, and similar valuable effects belonging to the corporation which may come under his control;

d) To render an annual statement showing the financial condition of the corporation and such other financial reports as the Board of Directors, or the President may, from time to time, require;

e) To prepare such financial reports, statements, certifications and other documents which may, from time to time, be required by government rules and regulations and to submit the same to the proper government agencies;

f) To exercise such powers and perform such duties and functions as may be assigned to him by the President.

**Section 7.     Term of Office** - The term of office of all officers shall be one (1) year and until their successors are duly elected and qualified. Such officers may however be sooner removed for cause.

**Section 8.     Vacancies** - If any position of the officers becomes vacant by reason of death, resignation, disqualification or for any other cause, the Board of Directors, by majority vote may elect a successor who shall hold office for the unexpired term.

**Section 9.     Compensation** - The by-law officers shall receive such remuneration as the Board of Directors may determine. All other officers shall receive such remuneration as the Board of Directors may determine upon recommendation of the President. A director shall not be precluded from serving the corporation in any other capacity as an officer, agent or otherwise, and receiving compensation therefor.



## ARTICLE V

### INDEMNIFICATION OF DIRECTORS AND OFFICERS

**Section 1.** The Corporation shall indemnify every director, officer or employee of the corporation, his heirs, executors and administrators against all costs and expenses reasonably incurred by such person in connection with any civil, criminal, administrative or investigative action, suit or proceeding to which he may be, or is, made a party by reason of his being or having been a director, officer or employee 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.

**Section 2.** 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 the breach of duty.

**Section 3** The amount payable by way of indemnity shall be determined and paid only pursuant to a resolution adopted by a majority of those members of the Board of Directors who have not incurred expenses in connection with the action, suit or proceeding, for which indemnification has been or is to be sought, if there shall be at least three (3) such members of the Board of Directors.

**Section 4.** The costs 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 proceeding as authorized in the manner provided for in the preceding paragraph upon receipt of an undertaking by or on behalf of the director, officer or employee of the corporation to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the corporation as authorized in this Article. (As amended on 30 June 2000)

## ARTICLE VI

### OFFICES

**Section 1.** The principal office of the corporation shall be located at the place stated in Article III of the Articles of Incorporation. The corporation may have such other branch offices, either within or outside the Philippines, as the Board of Directors may designate or as the business of the corporation may, from time to time, require.

## ARTICLE VII

### AUDIT OF BOOKS, FISCAL YEAR AND DIVIDENDS

**Section 1.** External Auditor - At the regular stockholders' meeting, the external auditor or auditors of the corporation for the ensuing year shall be appointed. The external auditor shall examine, verify and report on the earnings and expenses of the corporation and shall certify the remuneration of the external auditor or auditors as determined by the Board of Directors.

**Section 2. Fiscal Year** - The fiscal year of the corporation shall begin on the first day of January and end on the last day of December of each year.

**Section 3. Dividends** - Dividends shall be declared and paid out of the unrestricted retained earnings which shall be payable in cash, property, or stock to all stockholders on the basis of outstanding stock held by them, as often and at such times as the Board of Directors may determine and in accordance with law and applicable rules and regulations.

## ARTICLE VIII

### AMENDMENTS

**Section 1.** These by-laws may be amended or repealed by the affirmative vote of at least a majority of the Board of Directors and the stockholders representing a majority of the outstanding capital stock at any stockholders' meeting called for that purpose. However, the power to amend, modify, repeal or adopt new by-laws may be delegated to the Board of Directors by the affirmative vote of stockholders representing not less than two-thirds of the outstanding capital stock; provided, however, that any such delegation of powers to the Board of Directors to amend, repeal or adopt new by-laws may be revoked only by the vote of stockholders representing a majority of the outstanding capital stock at a regular or special meeting.

## ARTICLE IX

### SEAL

**Section 1. Form and Inscriptions** - The corporate seal shall be determined by the Board of Directors.

## ARTICLE X

### ADOPTION CLAUSE

The foregoing by-laws was adopted by all stockholders of the corporation on 14 November 1990 at the principal office of the corporation.

IN WITNESS WHEREOF, we, the undersigned stockholders present at the said meeting and voting thereat in favor of the adoption of said by-laws, have hereunto subscribed our names this 14<sup>th</sup> November 1990 at Makati, Metro Manila.

(Sgd) Luis F. Lorenzo

(Sgd) Luis P. Lorenzo, Jr.

(Sgd) Martin P. Lorenzo

(Sgd) Jesus M. Manalastas

(Sgd) Tomas Agustin P. Lorenzo