



REPUBLIC OF THE PHILIPPINES  
SECURITIES AND EXCHANGE COMMISSION

Ground Floor, Secretariat Building, PICC  
City Of Pasay, Metro Manila

COMPANY REG. NO. 62596

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

**KNOW ALL PERSONS BY THESE PRESENTS:**

**THIS IS TO CERTIFY** that the Amended By-Laws of

**KEPPEL PHILIPPINES HOLDINGS, INC.**

copy annexed, adopted on November 10, 2017 by majority vote of the Board of Directors and on June 22, 2018 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 Pasay City, Metro Manila, Philippines, this 26<sup>th</sup> day of July, Twenty Eighteen.

  
FERDINAND B. SALES  
Director

Company Registration and Monitoring Department



# COVER SHEET

## COMPANY REGISTRATION AND MONITORING DEPARTMENT

Nature of Application

**Amendment of By-Laws**

SEC Registration Number

**6 2 5 9 6**

Former Company Name

**K E P P E L P H I L I P P I N E S H O L D I N G S , I N C .**

AMENDED TO:  
New Company Name

Principal Office (No./Street/Barangay/City/Town/Province)

**U N I T 3 - B C O U N T R Y S P A C E I B L D G . 1 3 3 S E N . G I L P U Y A T A V E . , S A L C E D O V I L L A G E , B R G Y . B E L - A I R , M A K A T I C I T Y**

Company's Email Address

COMPANY INFORMATION

Company's Telephone Number/s

**(632) 892 1816**

Mobile Number

CONTACT PERSON INFORMATION

The designated person MUST be a Director/Trustee/Partner/Officer/Resident Agent of the Corporation

Name of Contact Person

**Attys. Lory Anne P. Manuel-McMullin/  
Pamela Ann T. Cayabyab/  
Ma. Nenita Yumi N. Gregory**

Email Address

**info@jglawph.com**

Telephone Number/s

**815 9071**

Mobile Number/s

**0917 857 0680**

Contact Person's Address

**17<sup>th</sup> Floor, Robinsons Equitable Tower, 4 ADB Avenue corner P. Poveda Drive, Ortigas Center, Pasig, Philippines**

To be accomplished by CRMD Personnel

Date

Signature

Assigned Processor: \_\_\_\_\_  
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Document I.D. \_\_\_\_\_

Received by: **Corporate Filing and Records Division (CFRD)**

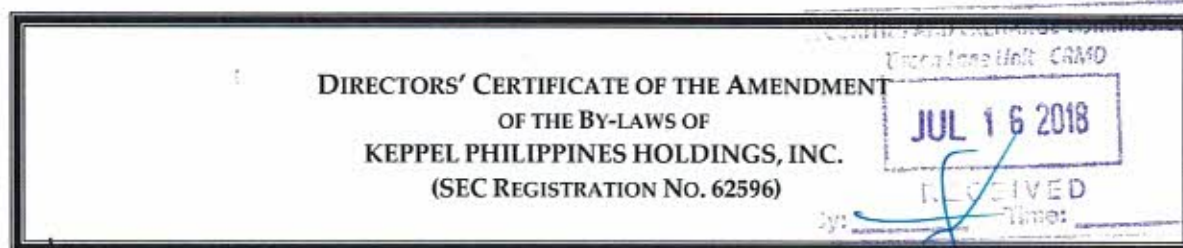
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Forwarded to:

☐ Corporate and Partnership Registration Division  
☐ Green Lane Unit  
☐ Financial Analysis and Audit Division  
☐ Licensing Unit  
☐ Compliance Monitoring Division

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We, the undersigned, consisting of a majority of the members of the Board of Directors of **Keppel Philippines Holdings, Inc. ("Corporation")**, with the Chairman of the Stockholders' Meeting and the Corporate Secretary countersigning, do hereby certify that:

1. A regular meeting of the members of the Board of Directors was held on 10 November 2017, at Club Café, Makati (Sports) Club, L.P. Leviste corner Gallardo Streets, Salcedo Village, Makati City for the purpose of considering, among other things, the amendment of the Third, Fourth, and Fifth Sections of Article 4 of the Corporation's By-laws and the corresponding amendment of the Corporation's By-laws;
2. During the annual stockholders' meeting held on 22 June 2018, at Function Rooms 2 & 3, Basement 1, Belmont Hotel Manila, Newport Boulevard, Newport City, Pasay City, the stockholders approved, among other things, the resolution of the Board of Directors proposing/approving the amendment of the Third, Fourth, and Fifth Sections of Article IV of the Corporation's By-laws and the corresponding amendment of the Corporation's By-laws;
3. Notices of the time, place and purpose of said meetings were made upon each director and stockholder;
4. Pursuant to said notices, a majority of the members of the Board of Directors appeared in person and the stockholders representing a majority of the outstanding capital stock of the corporation was likewise present in person or represented by proxy on the dates and at the places of the meetings;
5. At such meetings upon motion duly made and seconded, the following resolutions were respectively adopted 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:

**AMENDMENT OF ARTICLE IV SECTIONS 3, 4, AND 5  
OF THE BY-LAWS**

**"RESOLVED**, That Sections 3, 4 and 5 of the Fourth Article of the Corporation's By-laws be amended to read as follows:

**Section 3. Corporate Governance and Nomination Committee (CGNC)** – The Corporate Governance and Nomination Committee shall be composed of at least three members, all of whom will be independent directors, including the Chairman.

The CGNC has the following functions:

- Corporate Governance
- Nomination
- Compensation

Corporate Governance Functions:

The Committee is tasked in ensuring compliance with and proper observance of corporate governance principles and practices.

The Corporate Governance functions are as follows:

- i. Oversee the implementation of the corporate governance framework and periodically reviews the said framework to ensure that it remains appropriate in light of material changes to the Corporation's size, complexity and business strategy, as well as its business and regulatory environments;
- ii. Oversee the periodic performance evaluation of the Board and its committees as well as executive management, and conduct an annual self-evaluation of its performance;
- iii. Ensure that the results of the Board evaluation are shared, discussed, and that concrete action plans are developed and implemented to address the identified areas for improvement;
- iv. Recommend continuing education/training programs for directors, assignment of tasks/projects to board committees, succession plan for the board members and senior officers, and remuneration packages for corporate and individual performance;
- v. Adopt corporate governance policies and ensures that these are reviewed and updated regularly, and consistently implemented in form and substance;
- vi. Propose and plan relevant trainings for the members of the Board.

Nomination Functions:

Determine the nomination and election process for the Corporation's directors and has the special duty of defining the general profile of board members that the Corporation may need and ensuring appropriate knowledge, competencies and expertise that complement the existing skills of the Board.

The Nomination functions are as follows:

- i. Pre-screen and shortlist all candidates to the Board and other appointments that require Board approval, in



accordance with the qualifications and disqualifications enumerated provided under this Manual, the Corporation Code, Securities Regulations Code, and other pertinent rules and regulations;

- ii. Assess the effectiveness of the Board's processes and procedures in the election or replacement of directors;
- iii. In consultation with the Executive Committee, re-define the role, duties and responsibilities of the President by integrating the dynamic requirements of the business as a going concern and future expansionary prospects within the realm of good corporate governance at all times;
- iv. Ensure compliance and proper observance by the directors of the corporate governance principles and practices;
- v. Oversee the periodic performance evaluation of the Board and its Committees as well as executive management and conduct an annual self-evaluation of its performance;
- vi. Ensure that the results of the Board evaluation are shared, discussed, and that concrete action plans are developed and implemented to address the identified areas for improvement; and
- vii. Ensure the nomination and election process are complied with.

The nomination and election process include the review and evaluation of the qualifications of all persons nominated to the Board, in relation to criteria set forth in the Corporation's Manual on Corporate Governance, By-laws, and applicable regulations, including whether the candidate:

- Possesses the knowledge, skills, experience;
- Has independence of mind, especially to the NED, given their responsibilities to the Board;
- Has a record of integrity and good repute;
- Has sufficient time to carry out the responsibilities; and
- Has the ability to promote smooth interaction between board members.

The Corporate Governance Committee may secure the assistance of an executive search firm, if necessary, for this purpose.

The process includes monitoring the qualifications of the directors and the grounds for disqualification whether permanent or temporary.

#### **Section 4. Audit and Risk Management Committee (ARMC) -**

The Audit and Risk Management Committee shall be composed of at least three (3) appropriately qualified non-executive directors, the majority of whom, including the Chairman, will be independent. All of the members of the committee must have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance. The Chairman of the ARMC will not be the chairman of the Board or of any other committees.

The ARMC has the following functions:

- Audit
- Enterprise Risk Management
- Related Party Transaction

#### **Audit Functions:**

The ARMC will enhance its oversight capability over the Corporation's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations. It will be responsible for overseeing the senior management in establishing and maintaining an adequate, effective and efficient internal control framework. It ensures that systems and processes are designed to provide assurance in areas including reporting, monitoring compliance with laws, regulations and internal policies, efficiency and effectiveness of operations, and safeguarding of assets.

The Audit functions are as follows:

- i. Recommend the approval of the Internal Audit Charter (IA Charter), which formally defines the role of Internal Audit and the audit plan as well as oversees the implementation of the IA Charter;
- ii. Even if the Corporation has no Internal Audit Department, the Internal Audit functions will be outsourced. It will monitor and evaluate the adequacy and effectiveness of the Corporation's internal control system, integrity of financial reporting, and security of physical and information assets. Well-designed internal control procedures and processes that will provide a system of checks and balances will be in place in order to (a) safeguard the Corporation's resources and ensure their effective utilization, (b) prevent occurrence of fraud and other irregularities, (c) protect the accuracy and reliability of the Corporation's financial data, and (d) ensure compliance with applicable laws and regulations;
- iii. Oversee the outsourcing of internal audit services. It will recommend the appointment and/or grounds for approval of the terms and conditions for outsourcing internal audit services;

- iv. Establish and identify the reporting line of the Internal Auditor (Outsourced) to enable him to properly fulfill his duties and responsibilities. For this purpose, he will directly report to the Committee;
- v. Review and monitor Management's responsiveness to the Internal Auditor's findings and recommendations;
- vi. Prior to the commencement of the audit, discuss with the External Auditor the nature, scope and expenses of the audit, and ensure the proper coordination if more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts;
- vii. Evaluate and determine the non-audit work, if any, of the External Auditor, and periodically reviews the non-audit fees paid to the External Auditor in relation to the total fees paid to him and to the Corporation's overall consultancy expenses. The Committee will disallow any non-audit work that will conflict with his duties as an External Auditor or may pose a threat to his independence. The non-audit work, if allowed, will be disclosed in the Corporation's Annual Report and Annual Corporate Governance Report;
- viii. Review and approve the Interim and Annual Financial Statements before their submission to the Board, with particular focus on the following matters:
  - Any change/s in accounting policies and practices
  - Areas where a significant amount of judgment has been exercised
  - Significant adjustments resulting from the audit
  - Going concern assumptions
  - Compliance with accounting standards
  - Compliance with tax, legal and regulatory requirements
- ix. Review the disposition of the recommendations in the External Auditor's management letter;
- x. Perform oversight functions over the Corporation's Internal and External Auditors; ensure the independence of Internal and External Auditors, and that both auditors are given unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions;
- xi. Coordinate, monitor and facilitate compliance with laws, rules and regulations;
- xii. Recommend to the Board the appointment, reappointment, removal and fees of the External Auditor, duly accredited by the Commission, who undertakes an independent audit of the Corporation, and provide an objective assurance on the



manner by which the financial statements will be prepared and presented to the stockholders; and

- xiii. Meet with the Board at least every quarter without the presence of the President or other management team members, and periodically meet with the head of the internal audit. The Committee may invite the President or other management team if deemed necessary to answer queries raised by the Committee.

#### Enterprise Risk Management (ERM) Functions:

The ARMC will ensure the functionality and effectiveness of enterprise risk management frameworks.

The ERM functions are as follows:

- i. Develop a formal enterprise risk management plan which contains the following elements: (a) common language or register or risk, (b) well-defined risk management goals, objectives and oversight, (c) uniform processes of assessing risk and developing strategies to manage prioritized risk, (d) designing and implementing risk management strategies, and (e) continuing assessments to improve risk strategies, processes and measures;
- ii. Oversee the implementation of the enterprise risk management plan. The Committee conducts regular discussions on the Corporation's prioritized and residual exposures based on regular risk management reports and assesses how the concerned units or offices are addressing and managing these risks;
- iii. Evaluate the risk management plan to ensure its continued relevance, comprehensiveness and effectiveness. The Committee revisits defined risk management strategies, looks for emerging or changing material exposures, and stays abreast of significant developments that seriously impact the likelihood of harm or loss;
- iv. Advise the Board on its risk appetite levels and risk tolerance levels;
- v. Review annually the Corporation's risk appetite levels and risk tolerance limits based on changes and developments in the business, the regulatory framework, the external economic and business environment, and when major events occur that are considered to have major impacts on the Corporation;
- vi. Assess the probability of each identified risk becoming reality and estimates its possible significant impact and likelihood of



occurrence. Priority areas of concern are those risks that are the most likely to occur and to impact the performance and stability of the Corporation and its stakeholders;

- vii. Provide oversight over Management's activities in managing credit, market liquidity, operational, legal and other risk exposures of the Corporation. This function includes regularly receiving information on risk exposures and risk management activities from Management, and
- viii. Report to the Board on a regular basis, or as deemed necessary, the Corporation's material risk exposures, the actions taken to reduce the risks, and recommends further action or plans, as necessary.
- ix. Further details on internal control and risk management framework can be found on Article 5 of the Integrated Annual Corporate Governance Report.

#### Related Party Transactions (RPT) Functions:

As one of the functions of the ARMC, the Committee is tasked in general to review all material related party transactions of the Corporation to ensure that it is an arms-length, market based and in compliance with all applicable laws.

The RPT functions are as follows:

- i. Evaluate on an ongoing-basis the existing relations between and among businesses and counterparties to ensure that all related parties are continually identified, RPT's are monitored, and subsequent changes in relationships with counterparties (from non-related to related and vice versa) are captured. Related parties, RPTs and changes in relationships will be reflected in the relevant reports to the Board and regulators/supervisors;
- ii. Evaluate all material RPTs to ensure that these are not undertaken on more favorable economic terms (e.g., price, commissions, interests rates, fees, tenor, collateral requirement) to such related parties than similar transactions with non-related parties under similar circumstances and that no corporate or business resources of the Corporation are misappropriated or misapplied, and to determine any potential reputational risk issues that may arise as a result of or in connection with the transactions. In evaluating RPTs, the Committee takes into account, among others, the following:
  - The related party's relationship to the Corporation and interest in the transaction;
  - The material facts of the proposed RPT, including the

- proposed aggregate value of such transaction;
  - The benefits to the Corporation of the proposed RPT;
  - The availability of other sources or comparable products or services; and
  - An assessment of whether the proposed RPT is on terms and conditions that are comparable to the terms generally available to an unrelated party under similar circumstances. The Corporation will have an effective price discovery system in place and exercise due diligence in determining a fair price for RPTs.
- iii. Ensure that appropriate disclosure is made, and/or information is provided to regulating and supervising authorities relating to the Corporation's RPT exposures, and policies on conflicts of interest or potential conflicts of interest. The disclosure will also include information on the approach to managing material conflicts of interest that are inconsistent with such policies and conflicts that could arise as a result of the Corporation's affiliation or transactions with other related parties;
  - iv. Report to the Board of Directors on a regular basis, status and aggregate exposures to each related party, as well as the total amount of exposures to all related parties;
  - v. Ensure that transactions with related parties, including write-off of exposures are subject to a periodic independent review or audit process; and
  - vi. Oversee the implementation of the system for identifying, monitoring, measuring, controlling, and reporting RPT's, including periodic review of RPT policies and procedures.

**RESOLVED FURTHERMORE**, that the Vice President/Treasurer of the Corporation, Felicidad V. Razon, assisted by the Corporate Secretary, Atty. Ma. Melva E. Valdez, Assistant Corporate Secretary, Atty. Lory Anne P. Manuel-McMullin, Attys. Pamela Ann T. Cayabyab and Ma. Nenita Yumi N. Gregory, or any of the authorized representatives of Bello Valdez Caluya and Fernandez Law Offices (JGLaw), with office address at 17<sup>th</sup> Floor Robinsons Equitable Tower No. ADB Avenue corner 4 Poveda Drive Ortigas Pasig, City, be authorized to implement the foregoing, to perform any and/or all acts, and to effect any and/or all amendments to any and/or all documents as may be necessary or appropriate to implement the processing of the foregoing application before the Securities and Exchange Commission (SEC)."

6. The requirements of Section 48 of the Corporation Code of the Philippines have been complied with.
7. The attached is a true and correct copy of the By-laws of Keppel Philippines Holdings, Inc.



IN WITNESS WHEREOF, we have hereunto set our hands on this 22<sup>nd</sup> day of June 2018 at Pasig City, Philippines.



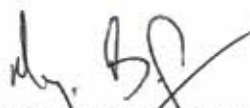
**PAUL TAN POH LEE**  
TIN 438-159-145



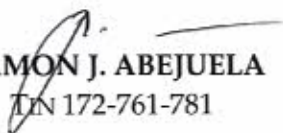
**ALAN I. CLAVERIA**  
TIN 127-165-720



**CELSO P. VIVAS**  
TIN 123-305-216



**MAYO JOSE B. ONGSINGCO**  
TIN 110-183-667



**RAMON J. ABEJUELA**  
TIN 172-761-781



**STEFAN TONG WAI MUN**  
TIN 201-588-126

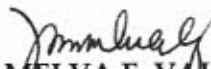


**FELICIDAD V. RAZON**  
TIN 112-942-756

*Countersigned by:*



**PAUL TAN POH LEE**  
*Chairman of the Stockholders' Meeting*




**MA. MELVA E. VALDEZ**  
*Corporate Secretary*

REPUBLIC OF THE PHILIPPINES)  
PASIG CITY ) S.S.

SUBSCRIBED AND SWORN to before me this 22<sup>nd</sup> day of June 2018 at Pasig City, affiants exhibited their government-issued identification cards bearing their respective photographs and signatures, thus constituting competent evidence of their identities:

NAME	GOVERNMENT ID	PLACE ISSUED EXPIRY DATE
PAUL TAN POH LEE	PASSPORT NO. E6624853B	SINGAPORE, 14 NOVEMBER 2022
ALAN I. CLAVERIA	TIN No. 127-165-720	
CELSO P. VIVAS	TIN No. 123-305-216	
MAYO JOSE B. ONGSINGCO	DRIVER'S LICENSE NO. N16-69-032925	
RAMON J. ABEJUELA	TIN No. 172-761-781	
STEFAN TONG WAI MUN	TIN No. 201-588-126	
FELICIDAD V. RAZON	TIN No. 112-942-756	
MA. MELVA E. VALDEZ	SSS NO. 03-8437676-4	

  
**MARK KRISKA L. CHEN**  
Notary Public - Pasig City  
Appointment No. 187 (2017-2018)  
17<sup>th</sup> Floor, Robinsons Equitable Tower, #4 ADB Ave.,  
Cor. P. Pineda Drive, Ortigas Center, Pasig City  
IBP No. 019553 / 28 December 2017 / Quezon City  
PIR No. 3985385 / 22 January 2018 / Pasig City  
MCLE Compliance No.: W-0017528  
Attorney's Roll No. 64310

Doc. No. 522;  
Page No. 106;  
Book No. III;  
Series of 2018.



**AMENDED BY-LAWS OF  
KEPPEL PHILIPPINES HOLDINGS, INC.**  
(Formerly: *Keppel Philippines Shipyard, Inc.*)

**ARTICLE I**  
**OFFICE**

Section 1. The principal office of the corporation shall be located in Makati, Rizal, Philippines, and branch offices may be established elsewhere in the Philippines as the Board of Directors may, from time to time determine.

**ARTICLE II**  
**THE BOARD OF DIRECTORS**

Section 1. Qualification and Election. – The general management of the Corporation shall be vested in a board of directors composed of **seven (7)** members who shall be stockholders and who shall serve until the election and qualification of their successors. Any vacancy in the Board of Directors shall be filled by a majority vote of the Board of Directors provided that the remaining directors constitute a quorum. The directors or director so chosen shall serve for the unexpired term.

*(As amended on June 15, 2001; As further amended on 10 May 2016 upon affirmative vote of majority of the members of the Board of Directors and on 17 June 2016 by the Stockholders representing at least two-thirds (2/3) of the outstanding capital stock of the Corporation)*

Section 2. Quorum. – The directors shall act only as a board, and the individual directors shall have no power as such. A majority of the directors shall be necessary at all the meetings to constitute a quorum for the transaction of any business, and every decision of majority of the quorum duly assembled as a Board shall be valid as a corporate act, except in the case of electing a director/s to fill up a vacancy in the Board.

Section 3. Meetings. – The Board of Directors shall hold a meeting for organization immediately after their election, of which no notice shall be required. Thereafter, the Board of Directors shall hold

regular meetings at the principal office of the corporation, or at such place and time as the Board may fix.

Special meetings of the Board of Directors may be called by the President, or on the written request of at least two (2) directors, provided seven (7) days notice shall be given to each director either personally or in writing.

Regular and special meetings may be conducted by means of teleconferencing or videoconferencing. In such case, the following guidelines shall govern:

- 1) The Secretary of the meeting shall assume the following responsibilities:
  - a) To safeguard the integrity of the meeting via tele/videoconferencing;
  - b) To find good tele/videoconference equipment/facilities;
  - c) To record the proceedings and prepare the minutes of the meeting; and
  - d) To store for safekeeping and mark the tape recording/s and/or other electronic recording mechanism as part of the records of the corporation.
- 2) The Secretary shall send out the notices of the meeting to all directors in the same manner of giving notice as stated in this section.
- 3) The notice shall include the following:
  - a) Inquiry on whether the director will attend physically or through tele/videoconferencing;
  - b) Contact number/s of the Secretary and office staff whom the director may call to notify and state whether he shall be physically present or attend through tele/videoconferencing;
  - c) Agenda of the meeting; and
  - d) All documents to be discussed in the meeting, including attachments, shall be numbered and duly



marked by the Secretary in such a way that all the directors, physically or electronically present, can easily follow, refer to the documents and participate in the meeting.

- 4) If the director chooses tele/videoconferencing, he shall give notice of at least five (5) days prior to the scheduled meeting to the Secretary. The latter shall be informed of his contact number/s. In the same way, the Secretary shall inform the director concerned of the contact number/s he will call to join the meeting. The Secretary shall keep the records of the details, and on the date of the scheduled meeting, confirm and note such details as part of the minutes of the meeting.
- 5) In the absence of arrangement, it is presumed that the director will physically attend the Board meeting.
- 6) At the start of the scheduled meeting, a roll call shall be made by the Secretary. Every director and participant shall state, for the record, the following:
  - a) Full Name
  - b) Location
  - c) For those attending through tele/videoconferencing, he shall confirm that:
    - i) he can completely and clearly hear the others who can clearly hear him at the end of the line
    - ii) state whether he has received the agenda and all the materials for the meeting
    - iii) specify type of device used.

Thereafter, the Secretary shall confirm and note the contact numbers being used by the directors and participants not physically present. After the roll call, the Secretary may certify the existence of a quorum.

- 7) All participants shall identify themselves for the record, before speaking and must clearly hear and/or see each other in the course of the meeting. If a person fails to identify himself, the Secretary shall quickly state the identity of the

last speaker. If the person speaking is not physically present and the Secretary is not certain of the identity of the speaker, the Secretary must inquire to elicit a confirmation or correction.

If a motion is objected to and there is a need to vote and divide the Board, the Secretary should call the roll and note the vote of each director who should identify himself.

If a statement of a director/participant in the meeting via tele/videoconferencing is interrupted or garbled, the Secretary shall request for a repeat or reiteration, and if need be, the Secretary shall repeat what he heard the director/participant was saying for confirmation or correction.

- 8) The Secretary shall require all the directors who attended the meeting, whether personally or through tele/videoconferencing, to sign the minutes of the meeting to dispel all doubts on matters taken up during the meeting. *(As amended during the Board of Directors' Meeting and Stockholders' Meeting held on 18 April 2011 and 8 June 2011, respectively)*

Section 4. Powers of the Board of Directors. – The Board of Directors shall have the management of the business and properties of the corporation and exercise such powers and authorities as provided by these by-laws or by statutes of the Philippines or are expressly conferred upon it.

Without prejudice to the general powers hereinabove conferred, the Board of Directors shall have the following express powers:

- (a) From time to time to make and change the rules and regulations not inconsistent with these By-Laws for the management of the Corporation's business and officers;

- (b) To pay for any property or rights acquired by the Corporation or to discharge obligations of the Corporation either wholly



or partly in money or in checks, bonds, debentures, or other securities of the Corporation;

(c) To purchase or otherwise acquire for the Corporation, rights, or privileges which the Corporation is authorized to acquire at such price and on such terms and conditions and for such consideration as it shall from time to time see fit;

(d) To borrow money for the Corporation and for such purpose to create, make and issue mortgages, deeds, bonds, deed of trust and negotiable instruments or securities, secured by mortgage or pledge or property belonging to the Corporation; provided, that as hereinafter provided, the proper officers of the Corporation shall have those powers, unless expressly limited by the Board of Directors;

(e) To delegate, from time to time any of the powers of the Board as can be lawfully delegated in the course of the current business or businesses of the Corporation which may be delegated to any standing or special committee or any officer or agent and to appoint any person to be agent of the Corporation, with such powers, and upon such terms, as may be deemed fit;

(f) To appoint or designate a special validation committee to pass on the validity of proxies (*As amended on 14 June 1997*).

Section 5. Compensation. – Directors, as such, shall receive such compensation for their services as may be fixed by the stockholders.

Section 6. Minutes. – Minutes of all meetings of the Board of Directors shall be kept and carefully preserved as a record of the business transactions made at such meetings. The minutes shall contain such entries as may be required by law.

### **ARTICLE III**

#### **INDEPENDENT DIRECTORS**

Section 1. Definition. – Independent director means a person who, apart from his fees and shareholdings, is independent of

management and free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with his exercise of independent judgment in carrying out his responsibilities as a director in any covered company and includes, among others, any person who:

- i. Is not a director or officer of the covered company or of its related companies or any of its substantial shareholders except when the same shall be an independent director of any of the foregoing;
- ii. Does not own more than two percent (2%) of the shares of the covered company and/or its related companies or any of its substantial shareholders;
- iii. Is not related to any director, officer or substantial shareholder of the covered company, any of its related companies or any of its substantial shareholders. For this purpose, relatives include spouse, parent, child, brother, sister, and the spouse of such child, brother or sister;
- iv. Is not acting as a nominee or representative of any director or substantial shareholder of the covered company, and/or any of its related companies and/or any of its substantial shareholders, pursuant to a Deed of Trust or under any contract or arrangement;
- v. Has not been employed in any executive capacity by the covered company, any of its related companies and/or any of its substantial shareholders within the last two (2) years;
- vi. Is not retained, either personally or through his firm or any similar entity, as professional adviser by the covered company, any of its related companies or by any of its substantial shareholders within the last two (2) years;
- vii. Has not engaged and does not engage in any transaction with the covered company and/or with any of its related companies and/or with any of its substantial shareholders, whether by himself and/or with other persons and/or through a firm of which he is a partner and/or a company of which he is a director or substantial shareholder, other than transactions which are conducted at arms-length are immaterial.

**Section 2. Composition.** – The corporation shall have at least two (2) independent directors or at least 20% of its board size, whichever is the lesser.



**Section 3. Nomination and Election of Independent Directors.**

– The Nomination Committee (“Committee”) shall have at least three (3) members, one of whom is an independent director. It shall promulgate the guidelines or criteria to govern the conduct of the nomination. The same shall be properly disclosed in the Company’s information or proxy statement or such other reports required to be submitted to the Commission.

Nomination of independent director/s shall be conducted by the Committee prior to stockholders’ meeting. All recommendations shall be signed by the nominating stockholders together with the acceptance and conformity by the would-be nominees.

The Committee shall pre-screen the qualifications and prepare a final list of all candidates and put in place screening policies and parameters to enable it to effectively review the qualifications of the nominees for independent director/s.

After the nomination, the Committee shall prepare a Final List of Candidates which shall contain all the information about all the nominees for independent directors, as required under Part IV(A) and (C) of Annex “C” of SRC Rule 12, which list, shall be made available to the Securities and Exchange Commission (“Commission”) and to all stockholders through the filing and distribution of the Information Statement, in accordance with SRC Rule 20, or in such other reports the company is required to submit to the Commission. The name of the person or group of persons who recommended the nomination of the independent director shall be identified in such report including any relationship with the nominee.

Only nominees whose names appear on the Final List of Candidates shall be eligible for election as Independent Director/s. 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.

**Section 4. Qualifications.** – An independent director shall have the following qualifications:

- a. He shall have at least one (1) share of stock of the corporation;
- b. He shall be at least a college graduate or he shall have been engaged or exposed to the business of the corporation for at least five (5) years;
- c. He shall possess integrity and probity; and
- d. He shall be assiduous.

**Section 5. Disqualifications.** – No person enumerated under Section II (5) of the Code of Corporate Governance shall qualify as an independent director. He shall likewise be disqualified during his tenure under the following instances or causes:

- a. He becomes an officer or employee of the corporation where he is such member of the board of directors, or becomes any of the persons enumerated under Section II (5) of the Code on Corporate Governance;
- b. His beneficial security ownership exceeds two percent (2%) of the outstanding capital stock of the company where he is such director;
- c. Fails, without any justifiable cause, to attend at least 50% of the total number of board meetings during his incumbency; and
- d. Such other disqualifications which the company's Manual on Corporate Governance provides.

**Section 6. Election.** – Except as those required under SRC Rule 38, as amended, and subject to pertinent existing laws, rules and regulations of the Commission, the conduct of the election of independent director/s shall be made in accordance with the standard election procedures of the company or its by-laws.

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. He shall ensure that an independent director/s is/are elected during the corporation's stockholders' meeting.

Specific slot/s for independent directors shall not be filled-up by unqualified nominees.

In case of failure of election for independent director/s, the Chairman of the meeting shall call a separate election during the same meeting to fill up the vacancy.

**Section 7. Termination/Cessation of Independent Directorship. –**  
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 Committee, otherwise, said vacancies shall be filled by the stockholders in a regular or special meeting called for that purpose. An independent director so elected to fill a vacancy shall serve only for the unexpired term of his predecessor in office. *(As amended by the Board of Directors and Stockholders on 06 April 2006 and 09 June 2006, respectively)*

#### **ARTICLE IV**

#### **COMMITTEES**

Section 1. Committees – To aid in complying with the principles of good corporate governance, the Board shall constitute Committees.

Section 2. Executive Committee - The Board shall create an Executive Committee which shall have at least three (3) members, consisting of the President, other officers and/or directors of the Corporation.

The Committee shall perform tasks delegated to it from time to time by the Board of Directors, subject to applicable laws and except on the following matters:

- a. Approval of any action for which shareholders' approval is also required;
- b. The filling of vacancies in the board;



- c. The amendment or repeal of by-laws or the adoption of new by-laws;
- d. The amendment or repeal of any resolution of the board which by its express terms are not so amenable or repealable; and
- e. A distribution of cash dividends to the shareholders.

Section 3. Corporate Governance and Nomination Committee (CGNC) – The Corporate Governance and Nomination Committee shall be composed of at least three members, all of whom will be independent directors, including the Chairman.

The CGNC has the following functions:

- corporate governance
- nomination
- compensation

Corporate Governance Functions:

The Committee is tasked in ensuring compliance with and proper observance of corporate governance principles and practices.

The Corporate Governance functions are as follows:

- i. Oversee the implementation of the corporate governance framework and periodically reviews the said framework to ensure that it remains appropriate in light of material changes to the Corporation's size, complexity and business strategy, as well as its business and regulatory environments;

- ii. Oversee the periodic performance evaluation of the Board and its committees as well as executive management, and conduct an annual self-evaluation of its performance;
- iii. Ensure that the results of the Board evaluation are shared, discussed, and that concrete action plans are developed and implemented to address the identified areas for improvement;
- iv. Recommend continuing education/training programs for directors, assignment of tasks/projects to board committees, succession plan for the board members and senior officers, and remuneration packages for corporate and individual performance;
- v. Adopt corporate governance policies and ensures that these are reviewed and updated regularly, and consistently implemented in form and substance;
- vi. Propose and plan relevant trainings for the members of the Board.

Nomination Functions:

Determine the nomination and election process for the Corporation's directors and has the special duty of defining the general profile of board members that the Corporation may need and ensuring appropriate knowledge, competencies and expertise that complement the existing skills of the Board.

The Nomination functions are as follows:

- i. Pre-screen and shortlist all candidates to the Board and other appointments that require Board approval, in accordance with the qualifications and disqualifications enumerated provided under this Manual, the Corporation Code, Securities Regulations Code, and other pertinent rules and regulations;

- ii. Assess the effectiveness of the Board's processes and procedures in the election or replacement of directors;
- iii. In consultation with the Executive Committee, re-define the role, duties and responsibilities of the President by integrating the dynamic requirements of the business as a going concern and future expansionary prospects within the realm of good corporate governance at all times;
- iv. Ensure compliance and proper observance by the directors of the corporate governance principles and practices;
- v. Oversee the periodic performance evaluation of the Board and its Committees as well as executive management and conduct an annual self-evaluation of its performance;
- vi. Ensure that the results of the Board evaluation are shared, discussed, and that concrete action plans are developed and implemented to address the identified areas for improvement; and
- vii. Ensure the nomination and election process are complied with.

The nomination and election process includes the review and evaluation of the qualifications of all persons nominated to the Board, in relation to criteria set forth in the Corporation's Manual on Corporate Governance, By-laws, and applicable regulations, including whether the candidate:

- Possesses the knowledge, skills, experience;
- Has independence of mind, especially to the NED, given their responsibilities to the Board;
- Has a record of integrity and good repute;
- Has sufficient time to carry out the responsibilities; and



- Has the ability to promote smooth interaction between board members.

The Corporate Governance Committee may secure the assistance of an executive search firm, if necessary, for this purpose.

The process includes monitoring the qualifications of the directors and the grounds for disqualification whether permanent or temporary.

Section 4. Audit and Risk Management Committee (ARMC) - The Audit and Risk Management Committee shall be composed of at least three (3) appropriately qualified non-executive directors, the majority of whom, including the Chairman, will be independent. All of the members of the committee must have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance. The Chairman of the ARMC will not be the chairman of the Board or of any other committees.

The ARMC has the following functions:

- Audit
- Enterprise Risk Management
- Related Party Transaction

Audit Functions:

The ARMC will enhance its oversight capability over the Corporation's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations. It will be responsible for overseeing the senior management in establishing and maintaining an adequate, effective and efficient internal control framework. It ensures that systems and processes are designed to provide assurance in areas including reporting, monitoring compliance with laws, regulations and internal policies, efficiency and effectiveness of operations, and safeguarding of assets.

The Audit functions are as follows:

- i. Recommend the approval of the Internal Audit Charter (IA Charter), which formally defines the role of Internal Audit and the audit plan as well as oversees the implementation of the IA Charter;
- ii. Even if the Corporation has no Internal Audit Department, the Internal Audit functions will be outsourced. It will monitor and evaluate the adequacy and effectiveness of the Corporation's internal control system, integrity of financial reporting, and security of physical and information assets. Well-designed internal control procedures and processes that will provide a system of checks and balances will be in place in order to (a) safeguard the Corporation's resources and ensure their effective utilization, (b) prevent occurrence of fraud and other irregularities, (c) protect the accuracy and reliability of the Corporation's financial data, and (d) ensure compliance with applicable laws and regulations;
- iii. Oversee the outsourcing of internal audit services. It will recommend the appointment and/or grounds for approval of the terms and conditions for outsourcing internal audit services;
- iv. Establish and identify the reporting line of the Internal Auditor (Outsourced) to enable him to properly fulfill his duties and responsibilities. For this purpose, he will directly report to the Committee;
- v. Review and monitor Management's responsiveness to the Internal Auditor's findings and recommendations;
- vi. Prior to the commencement of the audit, discuss with the External Auditor the nature, scope and expenses of the audit, and ensure the proper coordination if more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts;

- vii. Evaluate and determine the non-audit work, if any, of the External Auditor, and periodically reviews the non-audit fees paid to the External Auditor in relation to the total fees paid to him and to the Corporation's overall consultancy expenses. The Committee will disallow any non-audit work that will conflict with his duties as an External Auditor or may pose a threat to his independence. The non-audit work, if allowed, will be disclosed in the Corporation's Annual Report and Annual Corporate Governance Report;
- viii. Review and approve the Interim and Annual Financial Statements before their submission to the Board, with particular focus on the following matters:
- Any change/s in accounting policies and practices
  - Areas where a significant amount of judgment has been exercised
  - Significant adjustments resulting from the audit
  - Going concern assumptions
  - Compliance with accounting standards
  - Compliance with tax, legal and regulatory requirements
- ix. Review the disposition of the recommendations in the External Auditor's management letter;
- x. Perform oversight functions over the Corporation's Internal and External Auditors; ensure the independence of Internal and External Auditors, and that both auditors are given unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions;
- xi. Coordinate, monitor and facilitate compliance with laws, rules and regulations;



- xii. Recommend to the Board the appointment, reappointment, removal and fees of the External Auditor, duly accredited by the Commission, who undertakes an independent audit of the Corporation, and provide an objective assurance on the manner by which the financial statements will be prepared and presented to the stockholders; and
- xiii. Meet with the Board at least every quarter without the presence of the President or other management team members, and periodically meet with the head of the internal audit. The Committee may invite the President or other management team if deemed necessary to answer queries raised by the Committee.

Enterprise Risk Management (ERM) Functions:

The ARMC will ensure the functionality and effectiveness of enterprise risk management frameworks.

The ERM functions are as follows:

- i. Develop a formal enterprise risk management plan which contains the following elements: (a) common language or register or risk, (b) well-defined risk management goals, objectives and oversight, (c) uniform processes of assessing risk and developing strategies to manage prioritized risk, (d) designing and implementing risk management strategies, and (e) continuing assessments to improve risk strategies, processes and measures;
- ii. Oversee the implementation of the enterprise risk management plan. The Committee conducts regular discussions on the Corporation's prioritized and residual exposures based on regular risk management reports and assesses how the concerned units or offices are addressing and managing these risks;

- iii. Evaluate the risk management plan to ensure its continued relevance, comprehensiveness and effectiveness. The Committee revisits defined risk management strategies, looks for emerging or changing material exposures, and stays abreast of significant developments that seriously impact the likelihood of harm or loss;
- iv. Advise the Board on its risk appetite levels and risk tolerance levels;
- v. Review annually the Corporation's risk appetite levels and risk tolerance limits based on changes and developments in the business, the regulatory framework, the external economic and business environment, and when major events occur that are considered to have major impacts on the Corporation;
- vi. Assess the probability of each identified risk becoming reality and estimates its possible significant impact and likelihood of occurrence. Priority areas of concern are those risks that are the most likely to occur and to impact the performance and stability of the Corporation and its stakeholders;
- vii. Provide oversight over Management's activities in managing credit, market liquidity, operational, legal and other risk exposures of the Corporation. This function includes regularly receiving information on risk exposures and risk management activities from Management, and
- viii. Report to the Board on a regular basis, or as deemed necessary, the Corporation's material risk exposures, the actions taken to reduce the risks, and recommends further action or plans, as necessary.
- ix. Further details on internal control and risk management framework can be found on Article 5.

Related Party Transactions (RPT) Functions:



As one of the functions of the ARMC, the Committee is tasked in general to review all material related party transactions of the Corporation to ensure that it is an arms-length, market based and in compliance with all applicable laws.

The RPT functions are as follows:

- i. Evaluate on an ongoing-basis the existing relations between and among businesses and counterparties to ensure that all related parties are continually identified, RPT's are monitored, and subsequent changes in relationships with counterparties (from non-related to related and vice versa) are captured. Related parties, RPTs and changes in relationships will be reflected in the relevant reports to the Board and regulators/supervisors;
- ii. Evaluate all material RPTs to ensure that these are not undertaken on more favorable economic terms (e.g., price, commissions, interests rates, fees, tenor, collateral requirement) to such related parties than similar transactions with non-related parties under similar circumstances and that no corporate or business resources of the Corporation are misappropriated or misapplied, and to determine any potential reputational risk issues that may arise as a result of or in connection with the transactions. In evaluating RPTs, the Committee takes into account, among others, the following:
  - The related party's relationship to the Corporation and interest in the transaction;
  - The material facts of the proposed RPT, including the proposed aggregate value of such transaction;
  - The benefits to the Corporation of the proposed RPT;
  - The availability of other sources or comparable products or services; and
  - An assessment of whether the proposed RPT is on terms and conditions that are comparable to the terms



generally available to an unrelated party under similar circumstances. The Corporation will have an effective price discovery system in place and exercise due diligence in determining a fair price for RPTs.

- iii. Ensure that appropriate disclosure is made, and/or information is provided to regulating and supervising authorities relating to the Corporation's RPT exposures, and policies on conflicts of interest or potential conflicts of interest. The disclosure will also include information on the approach to managing material conflicts of interest that are inconsistent with such policies and conflicts that could arise as a result of the Corporation's affiliation or transactions with other related parties;
- iv. Report to the Board of Directors on a regular basis, status and aggregate exposures to each related party, as well as the total amount of exposures to all related parties;
- v. Ensure that transactions with related parties, including write-off of exposures are subject to a periodic independent review or audit process; and
- vi. Oversee the implementation of the system for identifying, monitoring, measuring, controlling, and reporting RPT's, including periodic review of RPT policies and procedures.

(As amended during the Board of Directors' Meeting and Stockholders' Meeting both held on 11 June 2003 and as further amended during the Board of Directors' meeting held on 10 November 2017 and Stockholders' Meeting held on 22 June 2018)

## **ARTICLE V**

### **OFFICERS**

Section 1. General. – The officers of the Corporation shall consist of a Chairman of the Board of Directors, a President, an Executive Vice-President, one or more Vice Presidents, one or more of whom may be

appointed by the Board as Senior Vice President(s), a Treasurer, Assistant Treasurer, a Secretary, Assistant Secretaries, all of whom shall be elected by the Board of Directors and who shall hold office at the pleasure of the Board of Directors and until their successors shall have been duly elected and shall have qualified. The Board of Directors may likewise in its discretion create the position and define the duties of Assistant Vice Presidents, General Manager, Assistant General Manager and such other positions it may deem necessary or expedient for the business of the corporation, and shall elect the persons to such positions who shall hold office at the pleasure of the Board. Two or more offices with compatible functions may be vested in the same person whenever deemed convenient and expedient by the Board of Directors.

Section 2. Chairman – The Chairman who shall be elected by the Board from their own members shall preside at all meetings of the Board of Directors and stockholders and shall perform such functions and exercise such duties as may be delegated to him by the Board of Directors.

Section 3. President – The President who shall be elected by the Board of Directors from their own members shall have the following powers and duties:

- a) He shall preside at all meetings in the absence of the Chairman;
- b) He shall sign all certificates of stock; and
- c) He shall perform all such other duties as may be delegated to him by the Board of Directors.

Section 4. Executive Vice President – The Executive Vice President who shall be elected by the Board from their own members shall have the following powers and duties:

- a) He shall be the Chief Executive Officer in the day to day management of the Corporation and have general supervision and management over the activities and affairs of the Corporation;

- b) He shall make such reports to the directors and to the stockholders as they may require;
- c) He shall countersign all certificates of stock; and
- d) He shall perform all such other duties and functions as are properly delegated or required of him by the Board of Directors.

Section 5. Vice-President(s) – The Vice-President(s) and/or Senior Vice-President(s) shall be appointed by the Board of Directors and shall perform such duties or functions as the Board of Directors and/or Executive Vice President may from time to time assign to him/them. The most senior Vice President shall be vested with all the powers and authorities of the Executive Vice President during the absence or incapacity of the Executive Vice President during the absence or incapacity of the latter for any cause.

Section 6. Treasurer – The Treasurer shall be elected by the Board of Directors from among its members and shall have the following powers and duties:

- a) The Treasurer shall have custody of all moneys, securities and valuable effects of the Corporation which may come into his possession;
- b) He shall keep regular books of the account showing the financial transactions of the Corporation;
- c) He shall deposit said moneys, securities and valuable effects of the Corporation in such banking institution as may be designated from time to time by the Board of Directors;
- d) He shall see to it that all disbursements and expenditures are evidenced by appropriate vouchers and receipts;
- e) He shall render to the Executive Vice President or the Board of Directors, whenever required, an account of the financial



condition of the Corporation and all his transactions as Treasurer;

- f) After the close of each fiscal year, he shall render and submit to the Board of Directors an annual statement showing the financial condition of the Corporation for such fiscal year;
- g) He shall keep correct books of accounts of all the business transactions of the Corporation;
- h) He may be one of the signatories on all checks and other instruments of withdrawals of corporate funds and no disbursements out of the cash funds of the Corporation shall be made without his prior authority;
- i) In conjunction with the Executive Vice-President, he shall have general supervision over the activities and affairs of the Corporation which would entail disbursement of corporate funds; and
- j) He shall post a bond in such amount as may be required from time to time by the Board of Directors to secure the performance of his duties.

In case of absence of the Treasurer, or his inability to act as such, any of the Assistant Treasurer or if all are absent or incapacitated to act as such, such person as the Board of Directors may designate, shall have the foregoing powers and duties. The Assistant Treasurer shall perform such other functions as the Board of Directors may prescribe and determine.

Section 7. Secretary – The Secretary, who must be a Filipino citizen and a resident of the Philippines, shall issue notices of all meetings of the directors and stockholders; shall keep the minutes of said meetings; shall have charge of the corporate seal and the books of the Corporation; shall countersign the certificates of stocks and such instrument as may require his signature and shall render such reports and perform such

other duties as are incidental to his office or are properly required of him by the Board of Directors.

Section 8. Assistant Secretary – The Assistant Secretary or Secretaries who must be a Filipino citizen/citizens and a resident of the Philippines, shall substitute for the Secretary in the latter's absence or inability to perform his duties under these By-Laws. The Assistant Secretaries shall perform such other functions as the Board of Directors may prescribe and determine.

Section 9. Internal Auditor – The Corporation shall have in place an independent internal audit function which shall be performed by an Internal Auditor or a group of Internal Auditors, through which its Board, senior management, and stockholders shall be provided reasonable assurance that its key organizational and procedural controls are effective, appropriate, and complied with. The Internal Auditor shall report to the Audit Committee. *(As amended during the Board of Directors' and Stockholders' Meeting both held on 11 June 2003)*

Section 10. Compensation. – All officers shall receive such salaries or compensation as may be fixed by the Board of Directors.

Section 11. Vacancies. – If the office of the President, Vice-President, General Manager, Treasurer and Secretary becomes vacant by death, resignation, or otherwise, the remaining directors, if still constituting a quorum by a majority vote may choose a successor or successors who shall hold office for the unexpired term.

In case of the temporary absence of any officer of the Corporation, or for any other reason that the Board of Directors may deem sufficient, the Board of Directors may delegate the powers and duties of such officer to any other officer or to any director for the time being, provided a majority of the board concur therein and such delegation is not conferred by an express provision of these By-Laws.

## ARTICLE VI

### INVESTMENTS, BANK DEPOSITORIES AND WITHDRAWALS

Section 1. Investments. – No investment of any character shall be made without the approval of the Board of Directors or the stockholders as the case may be in a meeting called for that purpose.

Section 2. Bank Depositories. – All checks and drafts and funds of the Corporation shall be deposited from time to time to the credit of the Corporation, in such banks, trust companies, or with such depositories, as the Board of Directors may designate from time to time.

Section 3. Withdrawals. – All checks, instruments, or other forms of withdrawals of corporate funds from the depositories of the Corporation shall be made or signed by the officers or such persons as may be duly authorized by the Board of Directors from time to time.

## **ARTICLE VII**

### **STOCK CERTIFICATES**

Section 1. Each stockholder whose share of stock subscription has been paid in full shall be entitled to a stock certificate or certificates for such shares of stock.

The certificates of stock shall be in such form and design as may be determined by the Board of Directors. Every certificate shall be signed by the President, and must be countersigned by the Secretary, and sealed with the corporate seal and it shall state on its face, the number, the date of issue, the number of shares for which it was issued, and the name of the person in whose favor it was issued.

## **ARTICLE VIII**

### **TRANSFER OF SHARE OF STOCK**

Section 1. Subject to the conditions and restrictions provided for under Article VII of the Articles of Incorporation, shares of stock shall be transferred by delivery of the certificate endorsed by the owner or his duly authorized attorney-in-fact or other persons legally authorized to make the transfer, but no transfer shall be valid except as between the parties until the transfer is annotated on the books of the Corporation.



Section 2. No surrendered certificate shall be cancelled by the Secretary until a new certificate in lieu thereof is issued, and the Secretary shall keep the cancelled certificate as proof of its substitution.

If a stock certificate is lost or destroyed, the Board of Directors may order the issuance of a new certificate in lieu of the lost or destroyed certificate after satisfactory proof of the loss or destruction of the original certificate and upon proper request made, and after the requirements of R.A. 201 shall have been duly complied with.

## **ARTICLE IX**

### **FISCAL YEAR, DIVIDENDS AND ACCOUNTS**

Section 1. External Auditors. – An external auditor shall enable an environment of good corporate governance as reflected in the financial records and reports of the Corporation. An external auditor shall be selected and appointed by the stockholders upon recommendation of the Audit Committee.

The reason/s for the resignation, dismissal or cessation from service and the date thereof of an external auditor shall be reported in the Corporation's annual and current reports. Said report shall include a discussion of any disagreement with said former external auditor on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure.

The external auditor of the Corporation shall not at the same time provide the services of an internal auditor to the same client. The Corporation shall ensure that other non-audit work shall not be in conflict with the functions of the external auditor.

The Corporation's external auditor shall be rotated or the handling partner shall be changed every five (5) years or earlier.

The external auditor or auditors of the Corporation for the ensuing year shall be appointed at the regular stockholders meeting.

The external auditor or auditors of the Corporation 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.

If an external auditor believes that the statements made in the Corporation's annual report, information statement or proxy statement filed during his engagement is incorrect or incomplete, he shall present his views in said reports. *(As amended during the Board of Directors' Meeting and Stockholders' Meeting both held on 11 June 2003)*

Section 2. Fiscal Year. – The fiscal year of the Corporation shall begin on the 1<sup>st</sup> day of January and shall end with the 31<sup>st</sup> day of December of each year.

Section 3. Dividends. – Dividends may be declared from surplus profits of the Corporation at such time or times and in such percentage as the Board of Directors may deem proper. No dividends shall be declared that will impair the capital of the Corporation. Stock dividends shall be declared in accordance with law.

Section 4. Inspection of Accounts. – The books, accounts and records of the Corporation shall be opened to inspection by any member of the Board of Directors at all time. A stockholder may inspect said books, accounts and the record of the Corporation at reasonable times on business day.

## ARTICLE X

### STOCKHOLDERS' MEETING

Section 1. Place. – Regular or special meeting of the stockholders shall be held at the principal office of the Corporation at Makati, Rizal, Philippines.

Section 2. Proxy. – Stockholders may vote at all meetings either in person or by proxy duly given in writing and presented to the Secretary for inspection and record at a date set by the Board prior to the holding of said meeting.



Section 3. Quorum. – No stockholders' meeting shall be competent to decide any matter or transact any business unless a majority of the subscribed capital stock is present or represented thereat, except in those cases in which the Corporation Law expressly requires the affirmative vote of a greater proportion.

Section 4. Vote. – Voting upon all questions at all meetings of the stockholders shall be by shares of stock and not per capita.

Section 5. Annual Meeting. – The annual meeting of the stockholders after the year 1974 shall be held on any day in June of each year at Makati City, Philippines, or at such other date and place as the Board of Directors may otherwise fix when they shall elect a Board of nine (9) directors to serve for one (1) year until their successors are elected and shall have qualified. *(As amended during the Board of Directors' Meeting and Stockholders' Meeting both held on 11 June 2003)*

Written notice stating the date, time and place of the annual meeting shall be sent to each registered owner of stock at his postal address as registered in the Corporation books, at least fifteen (15) business days prior to the date of such meeting. It shall also set the date, time, and place of the validation of proxies which in no case shall be less than five (5) days prior to the stockholders' meeting. The presence of any stockholder who may wish to be present in person or through counsel shall be allowed. *(As amended during the Board of Directors' Meeting and Stockholders' Meeting both held 11 June 2003)*

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 book be closed for a stated period, but not to exceed, in any case, twenty (20) days. In lieu of closing the stock and transfer book, the Board of Directors may fix in advance a record date for any such determination of stockholders. *(As amended on 14 June 1997)*

Section 6. Special Meeting. – Special Meeting of the stockholders may be called by the President or Executive Vice President at his



discretion, or on the demand of the stockholders holding the majority of the subscribed capital stock of the Corporation. *(As amended on 14 June 1997)*

A written notice stating the day, hour and place of the meeting and the general nature of the business to be transacted shall be sent to each and every stockholder at least fifteen (15) business days prior to the date of such special meeting, provided, however, that this requisite may be waived by all the stockholders in writing. *(As amended during the Board of Directors' Meeting and Stockholders' Meeting both held on 11 June 2003)*

## ARTICLE XI

### VOTING

1. At all meetings of the stockholders. – A stockholder may vote in person or by proxy. Voting by proxy shall be governed by applicable rules and regulations of the Securities and Exchange Commission: *(As amended on 14 June 1997)*

- a) A proxy executed by a Corporation shall be in a form executed by a duly authorized corporate officer accompanied by a Corporate Secretary's Certificate quoting the board resolution authorizing said corporate officer to execute said proxy. *(As amended on 14 June 1997)*
- b) Unless a longer period is fixed by the Board of Directors, proxies shall be submitted not later than ten (10) days prior to the date of stockholders' meeting. *(As amended on 14 June 1997)*

## ARTICLE XII

### SEAL

1. The seal of the Corporation shall contain the name **KEPPEL PHILIPPINES SHIPYARD INC.**, the year of incorporation and the principal office of the Corporation.

### **ARTICLE XIII** **AMENDMENTS**

These By-Laws or any of its provisions may be deemed amended or repealed by the stockholders owning majority of the subscribed capital stock.

### **ADOPTION**

The foregoing By-Laws were adopted by the affirmative vote of the undersigned stockholders owning majority of the subscribed capital stock of KEPPEL PHILIPPINES SHIPYARD, INC., at a meeting held on August 18, 1975 at Makati, Rizal, Philippines.

(SGD) GEORGE EDWIN BOGAARS      (SGD) CHUA CHOR TECK

(SGD) BENJAMIN P. MATA      (SGD) JOSE F. S. BENGZON, JR.

ATTESTED:

(SGD) ADOLFO S. AZCUNA  
*Secretary*

REPUBLIC OF THE PHILIPPINES)  
PASIG CITY )S.S

## SECRETARY'S CERTIFICATE

I, **MA. MELVA E. VALDEZ**, of legal age, Filipino and with office address at 17<sup>th</sup> Floor, Robinsons Equitable Tower, 4 ADB Avenue corner P. Poveda Drive, Ortigas Center, Pasig City, after having been first sworn in accordance with law, do hereby certify that:

1. I am the duly elected and incumbent **Corporate Secretary** of **KEPPEL PHILIPPINES HOLDINGS, INC.** ("Corporation"), a corporation duly organized and existing under Philippine laws with principal office at Unit 3-B Country Space 1 Building, 133 Sen. Gil J. Puyat Avenue, Salcedo Village, Barangay Bel-Air, Makati City.

1. To the best of my knowledge, I am not aware of any action or proceeding involving an intra-corporate dispute and/or claim by any person or group against the Corporation's Board of Directors, individual directors, and/or major corporate officers as the duly elected and/or appointed directors or officers or vice-versa.;

2. To the best of my knowledge, I am not aware that any action or proceeding has been filed or pending before any court or tribunal involving an intra-corporate dispute or claim by any person or group against the directors, officers, or stockholders of the Corporation.


3. This Certification is executed to comply with the requirements of the Securities and Exchange Commission (SEC) with respect to the Corporation's application for amendment of By-laws.

**IN WITNESS WHEREOF**, I have hereunto set my hand as Corporate Secretary this 23 day of June 2018 in Pasig City, Philippines.

  
**MA. MELVA E. VALDEZ**  
Corporate Secretary

**SUBSCRIBED AND SWORN** before me this 25 day of **June 2018** at **Pasig City**; affiant exhibited to me her competent proof of identity: Social Security System (SSS) ID No. 03-8437676-4.

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ATTY. JAMES ANTHONY C. SEMENTO  
Notary Public - Pasig City  
Commission No. (2013-2019)  
709 Mega Plaza Condo. ADB Ave. Pasig City  
Attorney's Roll No. 58148  
ID No. 03-027814-4516216310





OFFICIAL RECEIPT  
Republic of the Philippines  
DEPARTMENT OF FINANCE  
SECURITIES & EXCHANGE COMMISSION  
SEC Building, EDSA, Greenhills  
City of Mandaluyong, 1554



Accountable Form No. 51 Revised 2006	ORIGINAL
DATE July 16, 2018	No. 1678687

PAYOR KEPPEL PHILS. HOLDINGS, INC. MAKATI CITY
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NATURE OF COLLECTION	ACCOUNT CODE	RESPONSIBILITY CENTER	AMOUNT
LRF (A0823)	131	CRMD	10.00
AMENDED BY LAWS	606	CRMD	1,000.00

TOTAL PHP 1,010.00

AMOUNT IN WORDS

ONE THOUSAND TEN PESOS AND 0/100

Received <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Treasury Warrant <input type="checkbox"/> Check <input type="checkbox"/> Money Order	Received the Amount Stated Above
Treasury Warrant, Check, Money Order Number	Mary Jane Dominguez COLLECTING OFFICER
Date of Treasury Warrant, Check, Money Order	O.R. No. 1678687

NOTE: Write the number and date of this receipt on the back of treasury warrant, check or money order received.