

AMENDED MANUAL ON CORPORATE GOVERNANCE (August 2016)

SECTION 12 - STOCKHOLDERS' RIGHTS AND PROTECTION OF MINORITY STOCKHOLDERS' INTEREST

- A.** The Board shall respect the rights of the stockholders as provided for in the Corporation Code.

12.1 Right to vote on all matters that require their consent or approval

At each meeting of the stockholders, every stockholder shall be entitled to vote in person or by proxy, for each share of stock held by him which has voting power upon the matter in question. They shall be informed of the rules, including the voting procedures that govern general shareholders' meeting. Shareholders shall be furnished with sufficient and timely information concerning the date, location and agenda of general meetings, as well as full and timely information regarding the issues to be decided at the meeting. Owners of shares of common stock of the Company shall have the right to elect, remove and replace Directors and vote on certain corporate acts in accordance with the Corporation Code, the Articles of Incorporation and the By-Laws.

12.2 Right to participate in decisions concerning fundamental corporate changes

The Company encourages all stockholders to attend the annual stockholders' meeting and actively participate in the major and fundamental changes in the Company, such as but not limited to: (a) any amendment of the Articles of Incorporation and By-laws, (b) any change in the authorized capital of the Company, and (c) the transfer of all or substantially all of the corporate assets as provided in the Corporation Code.

The Company strictly observes the early distribution of the meeting agenda with rationale for each item, definitive information statement, proxy forms, financial reports and other pertinent information to the stockholders of record. This information is filed with the Securities and Exchange Commission and the Philippine Stock Exchange. Electronic copies are timely posted in the Company's website as well.

12.3 Right to inspect corporate books and records

The records of all business transactions of the corporation and the minutes of any meeting shall be open to inspection by the stockholders at reasonable hours on business days and the stockholders may demand, in writing, for a copy of excerpts from said records or minutes, at their expense; provided that such request may be refused by the Board if the stockholder demanding to examine the records has improperly used any information secured through any prior examination of the records of the Company or was not acting in good faith or for a legitimate purpose in making his demand.

Stockholders have also the right to receive copies of the most recent financial statements within ten (10) calendar days from receipt of a written request from the Company.

12.4 Right to information

The stockholders shall be provided upon request, periodic reports filed by the Company with the Securities and Exchange Commission (SEC) and the Philippine Stock Exchange (PSE), which are likewise posted and made available in the Company's website. These reports include but are not limited to: personal and business information on directors and key officers, shareholdings of directors and officers, aggregate remuneration amount of directors, material transactions of the Company, and major decisions that need stockholders approval.

The minority shareholders shall be granted the right to propose the holding of a meeting, and the right to propose items in the agenda of the meeting within sixty (60) calendar days prior to the filing of the preliminary information statement, provided the items are for legitimate business purposes

The minority shareholders shall have access to any and all information relating to matters for which the management is accountable for and to those relating to matters for which the management shall include such information and, if not included, then the minority shareholders shall be allowed to propose to include such matters in the agenda of stockholders' meeting, being within the definition of "legitimate purposes".

12.5 Right to dividends

Stockholders have the right to receive dividends declared by the Board of Directors out of the unrestricted retained earnings which shall be payable in cash, in property or in stocks, on the basis of outstanding stocks held by them, provided that in case of stock dividends, the same shall likewise be approved and ratified by the shareholders representing at least 2/3 of the outstanding capital stock. The Company shall be compelled to declare dividends when its retained earnings are in excess of one hundred percent (100%) of its paid-in capital stock, except: (i) when justified by definite corporate expansion projects or programs approved by the board of directors; (ii) when the board of directors are prohibited under any loan agreement with any financial institution or creditor, whether local or foreign, from declaring dividends without its/his consent, and such consent has not yet been secured; or (iii) when it can be clearly shown that such retention is necessary under special circumstances obtaining in the corporation, such as when there is a need for special reserve for probable contingencies.

12.6 Appraisal right

This is subject to the provisions of Section 82 under the Corporation Code of the Philippines.

- B.** The Board should be transparent and fair in the conduct of the annual and special stockholders' meetings of the corporation. The stockholders should be encouraged to personally attend such meetings. If they cannot attend, they should be apprised ahead of time of their right to appoint a proxy. Subject to the requirements of the by-laws, the exercise of that right shall not be unduly restricted and any doubt about the validity of a proxy should be resolved in the stockholder's favor.

It is the duty of the Board to promote the rights of the stockholders, remove impediments to the exercise of those rights and provide an adequate avenue for them to seek timely redress for breach of their rights.

The Board should take the appropriate steps to remove excessive or unnecessary costs and other administrative impediments to the stockholders' meaningful participation in meetings, whether in person or by proxy. Accurate and timely information should be made available to the stockholders to enable them to make a sound judgment on all matters brought to their attention for consideration or approval.

Although all stockholders should be treated equally or without discrimination, the Board should give minority stockholders the right to propose the holding of meetings and the items for discussion in the agenda that relate directly to the business of the corporation.