

[SEC MEMORANDUM CIRCULAR NO. 5, August 06, 1996]

ANNUAL MEETING AND PROXY

In order to implement the mandate of Section 50 of the Corporation Code, requiring an annual stockholders meeting for the election of Directors as well as Section 58 of the Corporation Code, and Section 34 of the Revised Securities Act to standardize the execution, acceptance and validation of proxies, all publicly listed corporations are hereby enjoined to observe and comply with the following:

A.

Annual Meeting

1. Regular meeting of stockholders for the election of Directors and Officers of the corporation shall be held annually on the date fixed in the by-laws, or if not so fixed, on any date in April as determined by the Board of Directors. If the date of the annual meeting falls on a legal holiday, the annual meeting shall be held in the next succeeding business day which is not a legal holiday.

2. The annual stockholders meeting shall be held in the city or municipality where the principal office of the corporation is located, and if practicable in the principal office of the corporation. Metro Manila shall, for purposes of meeting, be considered a city or municipality.

3. Written notice, stating the date, time and place of the annual meeting shall be sent to all stockholders of record at least two (2) weeks prior to the scheduled annual stockholders meeting, unless a different period is required by the by-laws.

The notice of stockholders' meeting 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 annual stockholders meeting to be held. The presence of any stockholder who may wish to be present in person or by counsel, shall be allowed.

4. If for any justifiable and valid reason, the annual stockholders' meeting has to be postponed, the corporation shall notify the Commission in writing of such postponement within ten (10) days from the date of such postponement.

5. No postponement of annual stockholders meeting shall be allowed except for justifiable reasons to be stated in writing signed under oath by the President or Secretary of the corporation.

6. The Commission en banc, may, motu proprio, or upon the written request of any stockholder, direct the calling of the annual stockholders' meeting under its supervision, if the corporation fails or refuses to call an annual meeting for any

justifiable reason.

7. The Commission may send its representatives/observers the stockholders' meetings, under such terms and conditions it deems appropriate.

8. Unless otherwise provided by the by-laws, the stock and transfer book shall be closed at least twenty (20) days before the scheduled date of the annual stockholders' meeting to enable the corporation to prepare a list of stockholders entitled to vote.

9. A copy of the list of stockholders entitled to vote shall be submitted to the SEC at least fifteen (15) days prior to the date of the annual stockholders' meeting to enable the corporation to prepare a list of stockholders entitled to vote.

B.

Proxy

1. The corporate by-laws shall be controlling in determining the proper procedure to be followed in the execution and acceptance of proxies, provided that the minimum required formalities prescribed under Section 58 of the Corporation Code and RSA Rule 34(a)-1 shall be complied with.

2. Failure to affix documentary stamps shall not affect the validity of the proxy. The only adverse effect of such failure is that the same cannot be recorded as a public document and cannot be admitted or used as evidence in Court until the required documentary stamps is affixed and cancelled.

3. Unless required by the corporate by-laws, a proxy need not be notarized.

4. If the name of the proxy is left in blank, the person to whom it is given or the issuer corporation receiving the proxy is at liberty to fill in any name he/it chooses.

5. If a duly accomplished and executed proxy is undated, the postmark or, if not mailed, its actual date of presentation shall be considered.

6. A proxy executed by a corporation shall be in the form of a board resolution duly certified by the Corporate Secretary or in a proxy form executed by a duly authorized corporate officer accompanied by a Corporate Secretary's certificate quoting the board resolution authorizing the said corporate officer to execute the said proxy.

7. If the by-laws provide for a cut-off date for the submission of proxies the same should be strictly followed. In the absence of a provision in the by-laws fixing a deadline, proxies shall be submitted not later than ten (10) days prior to the date of the stockholders' meeting.

8. Where the corporation receives more than one proxy from the same stockholder and they are all undated, the postmark dates shall be considered. If the proxies are mailed on the same date, the one bearing the latest time of day of postmark is counted. If the proxies are not mailed, then the time of their actual presentation is considered. That which is presented last will be recognized.