

SUMMARY OF PROPOSED OF AMENDMENTS IN THE CORPORATION CODE OF THE PHILIPPINES

Existing Provisions of the Corporation Code	Proposed Amendments	Key Points of the Relevant Amendments
<p>Section 6. Classification of shares. – The shares of stock of stock corporations may be divided into classes or series of shares, or both, any of which classes or series of shares may have such rights, privileges or restrictions as may be stated in the articles of incorporation: Provided, That no share may be deprived of voting rights except those classified and issued as “preferred” or “redeemable” shares, unless otherwise provided in this Code: Provided, further, That there shall always be a class or series of shares which have complete voting rights. Any or all of the shares or series of shares may have a par value or have no par value as may be provided for in the articles of incorporation: Provided, however, That banks, trust companies, insurance companies, public utilities, and building and loan associations shall not be permitted to issue no-par value shares of stock.</p> <p>Preferred shares of stock issued by any corporation may be given preference in the distribution of the assets of the corporation in case of liquidation and in the distribution of dividends, or such other preferences as may be stated in the articles of incorporation which are not violative of the provisions of this Code: Provided, That preferred shares of stock may be issued only with a stated par value. The board of directors, where authorized in the articles of incorporation, may fix the terms and conditions of preferred shares of stock or any series thereof: Provided, That such terms and conditions shall be effective upon the filing of a certificate thereof with the Securities and Exchange Commission.</p> <p>Shares of capital stock issued without par value shall be deemed fully paid and non-assessable and the holder of such shares shall not be liable to the corporation or to its creditors in respect thereto: Provided; That shares without par value may not be issued for a consideration less than the value of five (P5.00) pesos per share: Provided, further, That the entire consideration received by the corporation for its no-par value shares shall be treated as capital and shall not be available for distribution as dividends.</p> <p>A corporation may, furthermore, classify its shares for the purpose of insuring compliance with constitutional or legal requirements.</p>	<p>Section 6. Classification of shares. – The shares of stock of stock corporations may be divided into classes or series of shares, or both, any of which classes or series of shares may have such rights, privileges or restrictions as may be stated in the articles of incorporation: Provided, That no share may be deprived of voting rights except those classified and issued as “preferred” or “redeemable” shares, unless otherwise provided in this Code: Provided, further, That there shall always be a class or series of shares which have WITH complete voting rights. Any or all of the shares or series of shares may have a par value or have no par value as may be provided for in the articles of incorporation: Provided, however, That banks, trust companies, insurance companies, PRE-NEED COMPANIES, public utilities, and building and loan associations shall not be permitted to issue no-par value shares of stock.</p> <p>Preferred shares of stock issued by any corporation may be given preference in the distribution of the assets of the corporation in case of liquidation and in the distribution of dividends, or such other preferences as may be stated in the articles of incorporation which are not violative of the provisions of this Code: Provided, That preferred shares of stock may be issued only with a stated par value. The board of directors, where authorized in the articles of incorporation, may fix the terms and conditions of preferred shares of stock or any series thereof: Provided, That such terms and conditions shall be effective upon the filing of a certificate thereof with the Securities and Exchange Commission. THE ISSUANCE BY THE SECURITIES AND EXCHANGE COMMISSION, HEREINAFTER REFERRED TO AS THE “COMMISSION”, OF A CERTIFICATE THAT THE TERMS AND CONDITIONS OF THE PREFERRED SHARES ARE NOT INCONSISTENT WITH THE PROVISIONS OF THIS CODE, THE CONSTITUTION OF THE PHILIPPINES, AND OTHER EXISTING LAWS, RULES AND REGULATIONS.</p> <p>Shares of capital stock issued without par value shall be deemed fully paid and non-assessable and the holder of such shares shall not be liable to the corporation or to its creditors in respect thereto: Provided; That shares</p>	<ul style="list-style-type: none"> - included Pre-need companies among those not permitted to issue no-par value shares of stock - changed the requirement as to when the terms and conditions of preferred shares of stock or any series thereof be effective

<p>Except as otherwise provided in the articles of incorporation and stated in the certificate of stock, each share shall be equal in all respects to every other share.</p> <p>Where the articles of incorporation provide for non-voting shares in the cases allowed by this Code, the holders of such shares shall nevertheless be entitled to vote on the following matters:</p> <ol style="list-style-type: none"> 1. Amendment of the articles of incorporation; 2. Adoption and amendment of by-laws; 3. Sale, lease, exchange, mortgage, pledge or other disposition of all or substantially all of the corporate property; 4. Incurring, creating or increasing bonded indebtedness; 5. Increase or decrease of capital stock; 6. Merger or consolidation of the corporation with another corporation or other corporations; 7. Investment of corporate funds in another corporation or business in accordance with this Code; and 8. Dissolution of the corporation. <p>Except as provided in the immediately preceding paragraph, the vote necessary to approve a particular corporate act as provided in this Code shall be deemed to refer only to stocks with voting rights.</p>	<p>without par value may not be issued for a consideration less than the value of five (P5.00) pesos per share: Provided, further, That the entire consideration received by the corporation for its no-par value shares shall be treated as capital and shall not be available for distribution as dividends.</p> <p>A corporation may, furthermore, classify its shares for the purpose of insuring compliance with constitutional or legal requirements.</p> <p>Except as otherwise provided in the articles of incorporation and stated in the certificate of stock, each share shall be equal in all respects to every other share.</p> <p>Where the articles of incorporation provide for non-voting shares in the cases allowed by this Code, the holders of such shares shall nevertheless be entitled to vote on the following matters:</p> <ol style="list-style-type: none"> 1. Amendment of the articles of incorporation; 2. Adoption and amendment of by-laws; 3. Sale, lease, exchange, mortgage, pledge or other disposition of all or substantially all of the corporate property; 4. Incurring, creating or increasing bonded indebtedness; 5. Increase or decrease of capital stock; 6. Merger or consolidation of the corporation with another corporation or other corporations; 7. Investment of corporate funds in another corporation or business in accordance with this Code; and 8. Dissolution of the corporation. <p>Except as provided in the immediately preceding paragraph, the vote necessary to approve a particular corporate act as provided in this Code shall be deemed to refer only to stocks with voting rights.</p>	
<p>Section 7. Founders' shares. – Founders' shares classified as such in the articles of incorporation may be given certain rights and privileges not enjoyed by the owners of other stocks, provided that where the exclusive right to vote and be voted for in the election of directors is granted, it must be for a limited period not to exceed five (5) years subject to the approval of the Securities and Exchange Commission. The five-year period shall commence from the date of the aforesaid approval by the Securities and Exchange Commission. (n)</p>	<p>Section 7. Founders' shares. – Founders' shares classified as such in the articles of incorporation may be given certain rights and privileges not enjoyed by the owners of other stocks, provided that where the exclusive right to vote and be voted for in the election of directors is granted, it must be for a limited period not to exceed five (5) years subject to the approval of the Securities and Exchange Commission. The five-year period shall commence from the date of the aforesaid approval by the Securities and Exchange Commission: PROVIDED, THAT THE EXCLUSIVE RIGHT TO</p>	<p>- amendment on the right given to founder's shares</p>

	<p>VOTE OR TO BE VOTED FOR SHALL NOT BE ALLOWED IF ITS EXERCISE WILL VIOLATE THE RULES AND REGULATIONS OF THE COMMISSION, COMMONWEALTH ACT NO. 108, AND REPUBLIC ACT 7042; <i>PROVIDED, FURTHER</i>, THAT THE SAID RIGHT SHALL BE GRANTED ONLY ONCE.</p> <p>AFTER THE LAPSE OF THE FIVE-YEAR PERIOD, THE SHARES SHALL AUTOMATICALLY HAVE THE SAME VOTING RIGHTS AND PRIVILEGES AS COMMON SHARES.</p>	
<p>Section 8. Redeemable shares. – Redeemable shares may be issued by the corporation when expressly so provided in the articles of incorporation. They may be purchased or taken up by the corporation upon the expiration of a fixed period, regardless of the existence of unrestricted retained earnings in the books of the corporation, and upon such other terms and conditions as may be stated in the articles of incorporation, which terms and conditions must also be stated in the certificate of stock representing said shares.</p>	<p>Section 8. Redeemable shares. – Redeemable shares may be issued by the corporation when expressly so provided in the articles of incorporation. They may be purchased or taken up by the corporation upon the expiration of a fixed period, regardless of the existence of unrestricted retained earnings in the books of the corporation, and upon such other terms and conditions as may be stated in the articles of incorporation, which terms and conditions must also be stated in the certificate of stock representing said shares. THE CORPORATION MAY REDEEM THE SAID SHARES ONLY IF, AFTER SUCH REDEMPTION, IT SHALL STILL HAVE SUFFICIENT ASSETS IN ITS BOOKS TO COVER LIABILITIES INCLUSIVE OF THE SUBSCRIBED CAPITAL STOCK, AND SUCH REDEMPTION IS IN ACCORDANCE WITH N ACCORDANCE WITH THE TERMS AND CONDITIONS STATED IN THE ARTICLES OF INCORPORATION AND/OR THE CERTIFICATE OF STOCK REPRESENTING SAID SHARES.</p> <p>EXCEPT AS PROVIDED IN THE IMMEDIATELY PRECEDING PARAGRAPH, NO CORPORATION SHALL REDEEM, REPURCHASE OR REACQUIRE ITS OWN SHARES OF WHATEVER CLASS, UNLESS IT HAS SUFFICIENT UNRESTRICTED RETAINED EARNINGS TO FUND THE COST OF SUCH REDEMPTION, REPURCHASE OR REACQUISITION; PROVIDED, THAT SUCH REQUIREMENT SHALL NOT APPLY IF THE REDEMPTION, REPURCHASE OR REACQUISITION IS MADE UNDER ANY OF THE FOLLOWING CIRCUMSTANCES:</p> <p>a) PURSUANT TO A CONVERSION RIGHT PROVIDED FOR IN THE ARTICLES OF INCORPORATION; b) TO EFFECT A DECREASE IN THE AUTHORIZED CAPITAL STOCK OF THE CORPORATION AS APPROVED BY THE COMMISSION; AND c) UPON INSTRUCTION TO A CLOSE CORPORATION BY THE COMMISSION TO RESOLVE A DEADLOCK.</p>	<p>- inclusion of additional consideration/requirements before a corporation can redeem its redeemable shares</p> <p>- also included provision as to the exception on those additional consideration/requirements</p>

<p>Section 10. <i>Number and qualifications of incorporators.</i> – Any number of natural persons not less than five (5) but not more than fifteen (15), all of legal age and a majority of whom are residents of the Philippines, may form a private corporation for any lawful purpose or purposes. Each of the incorporators of s stock corporation must own or be a subscriber to at least one (1) share of the capital stock of the corporation.</p>	<p>Section 10. <i>Number and qualifications of incorporators.</i> – Any number of PERSONS, natural OR JURIDICAL persons not less than five (5) but not more than fifteen (15), all of legal age and a majority of whom are residents of the Philippines, may form a private corporation for any lawful purpose or purposes. Each of the incorporators of s stock corporation must own or be a subscriber to at least one (1) share of the capital stock of the corporation.</p>	<ul style="list-style-type: none"> - removed the requirements as to the minimum number of incorporators and the requirement that incorporators shall be of legal age
<p>Section 11. <i>Corporate term.</i> – A corporation shall exist for a period not exceeding fifty (50) years from the date of incorporation unless sooner dissolved or unless said period is extended. The corporate term as originally stated in the articles of incorporation may be extended for periods not exceeding fifty (50) years in any single instance by an amendment of the articles of incorporation, in accordance with this Code; Provided, That no extension can be made earlier than five (5) years prior to the original or subsequent expiry date(s) unless there are justifiable reasons for an earlier extension as may be determined by the Securities and Exchange Commission.</p>	<p>Section 11. <i>Corporate term.</i> – UNLESS SOONER DISSOLVED, a corporation shall exist for a period PERPETUALLY, OR AS OTHERWISE STATED IN THE ARTICLES OF INCORPORATION. A TERM LESS THAN PERPETUAL not exceeding fifty (50) years from the date of incorporation unless sooner dissolved or unless said period is MAY BE extended. The corporate term as originally stated in the articles of incorporation may be extended for periods not exceeding fifty (50) years in any single instance by an amendment of the articles of incorporation, in accordance with this Code; Provided, That no extension can be made earlier than five (5) THREE (3) years prior to the original or subsequent expiry date(s) unless there are justifiable reasons for an earlier extension as may be determined by the Securities and Exchange Commission; PROVIDED, FURTHER, THAT SUCH EXTENSION OF THE CORPORATE TERM SHALL TAKE EFFECT ONLY ON THE DAY FOLLOWING THE ORIGINAL OR SUBSEQUENT EXPIRY DATE(S).</p> <p>THE CORPORATE TERM MAY BE SHORTENED BY AN AMENDMENT OF THE ARTICLES OF INCORPORATION IN ACCORDANCE WITH THIS CODE.</p> <p>REGARDLESS OF THE TERM, ALL CORPORATIONS SHALL REMAIN UNDER THE SUPERVISION AND REVIEW OF THE COMMISSION. A CORPORATION WITH A PERPETUAL TERM OR A TERM EXCEEDING TWENTY-FIVE YEARS SHALL COMPLY WITH THE RENEWAL REQUIREMENTS THE COMMISSION MAY PRESCRIBE THEREFOR ON THE TWENTY-FIFTH YEAR AND EVERY TWENTY-FIVE YEARS THEREAFTER, OR AT SUCH INTERVALS AS THE COMMISSION MAY LATER DETERMINE. THE COMMISSION SHALL CHARGE SUCH PENALTIES AS IT MAY DEEM APPROPRIATE AND WITHHOLD ACTION ON ANY MATTER BROUGHT BY A RENEWING CORPORATION, INCLUDING BUT NOT LIMITED TO APPLICATIONS FOR THE AMENDMENT OF THE ARTICLES OF INCORPORATION AND/OR BY-LAWS AND THE ISSUANCE OF CERTIFICATIONS OF GOOD STANDING OR THOSE REQUIRED FOR TRANSACTIONS WITH</p>	<ul style="list-style-type: none"> - removed the maximum corporate term of 50 years - included provision as to the option of either having a specific term or a perpetual term - included provisions as to the requirements of the renewal in case the term is less than perpetual - included provision as to the requirement to revive the corporation's certificate of incorporation in case the corporation's term has expired or lapsed within ten years

	<p>OTHER GOVERNMENT AGENCIES, UNTIL FULL COMPLIANCE WITH THE COMMISSION'S RENEWAL REQUIREMENTS IS MADE.</p> <p>A CORPORATION WHOSE TERM EXPIRED OR LAPSED WITHIN TEN YEARS PRIOR TO THE EFFECTIVITY OF THIS CODE, AND WHICH HAS NOT REINCORPORATED, MAY APPLY WITH THE COMMISSION FOR THE REVIVAL OF ITS CERTIFICATE OF INCORPORATION IF IT CAN SHOW THAT REINCORPORATION WOULD BE DIFFICULT OR DELETERIOUS TO IT AND THAT IT CONTINUES TO BE A GOING CONCERN OR CAN READILY REVIVE ITS OPERATIONS. UPON APPROVAL BY THE COMMISSION AND SUBJECT TO THE CORPORATION'S COMPLIANCE WITH THE COMMISSION'S REQUIREMENTS OR CONDITIONS FOR REVIVAL AND THE PAYMENT OF THE PRESCRIBED FEES, THE COMMISSION SHALL REVIVE THE CORPORATION'S CERTIFICATE OF INCORPORATION AND THE CORPORATION SHALL THENCEFORTH EXIST IN ACCORDANCE WITH THIS SECTION.</p>	
<p>Section 12. <i>Minimum capital stock required of stock corporations.</i> – Stock corporations incorporated under this Code shall not be required to have any minimum authorized capital stock except as otherwise specifically provided for by special law, and subject to the provisions of the following section.</p>	<p>Section 12. <i>Minimum capital stock required of stock corporations.</i> – Stock corporations incorporated under this Code shall not be required to have any HAVE A minimum authorized capital stock OF ONE MILLION (P1,000,000) PESOS except as OR SUCH AMOUNT AS MAY BE DETERMINED BY THE COMMISSION AFTER DUE NOTICE TO THE PUBLIC, UNLESS A DIFFERENT AMOUNT IS REQUIRED BY ANY LAW otherwise specifically provided for by special law, and subject to the provisions of the following section-; PROVIDED, HOWEVER, THAT FOR CORPORATIONS ISSUING NO PAR VALUE SHARES, THE MINIMUM AUTHORIZED CAPITAL STOCK SHALL BE 200,000 SHARES; AND PROVIDED, FURTHER, THAT WHERE CAPITAL CONSISTS OF BOTH PAR AND NO-PAR VALUE SHARES, THE MINIMUM AUTHORIZED CAPITAL STOCK SHALL BE ONE MILLION (P1,000,000.00) PESOS.</p>	<p>- included a minimum amount of authorized capital stock</p>
<p>Section 13. <i>Amount of capital stock to be subscribed and paid for the purposes of incorporation.</i> – At least twenty-five percent (25%) of the authorized capital stock as stated in the articles of incorporation must be subscribed at the time of incorporation, and at least twenty-five (25%) per cent of the total subscription must be paid upon subscription, the balance to be payable on a date or dates fixed in the contract of subscription without need of call, or in the absence of a fixed date or dates, upon call for payment by the board of directors: Provided, however, That in no case shall the paid-up capital be less than five Thousand (P5,000.00) pesos.</p>	<p>Section 13. <i>Amount of capital stock to be subscribed and paid for the purposes of incorporation.</i> – EXCEPT WITH RESPECT TO ONE PERSON CORPORATIONS AND SMALL CORPORATIONS WHOSE CAPITAL STOCK SHALL BE PAID IN FULL UPON SUBSCRIPTION, at least twenty-five percent (25%) of the NUMBER OF SHARES OF THE authorized capital stock as stated in the articles of incorporation must be subscribed at the time of incorporation, and at least twenty-five (25%) per cent of the VALUE OF THE total subscription must be paid upon subscription, the balance to be payable on a date or dates fixed in the contract of subscription without need of call, or in the absence of a fixed</p>	<p>- increased the minimum paid-up capital from Php5k to Php62,500</p>

	<p>date or dates, upon call for payment by the board of directors: Provided, however, That in no case shall the paid-up capital be less than five Thousand (P5,000.00) pesos. SIXTY TWO THOUSAND FIVE HUNDRED (P62,500.00) PESOS, OR SUCH AMOUNT AS MAY BE DETERMINED BY THE COMMISSION OR REQUIRED IN OTHER LAWS; PROVIDED, HOWEVER, THAT WITH RESPECT TO NO PAR VALUE SHARES, AT LEAST TWENTY-FIVE PERCENT (25%) OF SAID SHARES OF THE AUTHORIZED CAPITAL STOCK MUST BE SUBSCRIBED AND FULLY PAID UPON SUBSCRIPTION.</p>	
<p>Section 14. Contents of the articles of incorporation. – All corporations organized under this code shall file with the Securities and Exchange Commission articles of incorporation in any of the official languages duly signed and acknowledged by all of the incorporators, containing substantially the following matters, except as otherwise prescribed by this Code or by special law:</p> <ol style="list-style-type: none"> 1. The name of the corporation; 2. The specific purpose or purposes for which the corporation is being incorporated. Where a corporation has more than one stated purpose, the articles of incorporation shall state which is the primary purpose and which is/are the secondary purpose or purposes: Provided, That a non-stock corporation may not include a purpose which would change or contradict its nature as such; 3. The place where the principal office of the corporation is to be located, which must be within the Philippines; 4. The term for which the corporation is to exist; 5. The names, nationalities and residences of the incorporators; 6. The number of directors or trustees, which shall not be less than five (5) nor more than fifteen (15); 7. The names, nationalities and residences of persons who shall act as directors or trustees until the first regular directors or trustees are duly elected and qualified in accordance with this Code; 8. If it be a stock corporation, the amount of its authorized capital stock in 	<p>Section 14. Contents of the articles of incorporation. – All corporations organized under this code shall file with the Securities and Exchange Commission articles of incorporation in any of the official languages duly signed and acknowledged by all of the incorporators, containing substantially the following matters, except as otherwise prescribed by this Code or by special law:</p> <ol style="list-style-type: none"> 1. The name of the corporation; 2. The specific purpose or purposes for which the corporation is being incorporated. Where a corporation has more than one stated purpose, the articles of incorporation shall state which is the primary purpose and which is/are the secondary purpose or purposes: Provided, That a non-stock corporation may not include a purpose which would change or contradict its nature as such; 3. The place where the principal office of the corporation is to be located, which must be within the Philippines THE SPECIFIC ADDRESS, WHICH SHALL INCLUDE, WHERE APPLICABLE, THE STREET NUMBER, STREET NAME, BARANGAY, CITY OR MUNICIPALITY, AND PROVINCE OF THE PRINCIPAL OFFICE OF THE CORPORATION, WHICH MUST BE WITHIN THE PHILIPPINES; 4. The term for which the corporation is to exist A PROVISION LIMITING THE DURATION OF THE CORPORATION'S EXISTENCE TO A SPECIFIED DATE; OTHERWISE, THE CORPORATION SHALL HAVE PERPETUAL EXISTENCE; 5. The names, nationalities and residences of the incorporators; 6. The number of directors or trustees, which shall not be less than five (5) 	<ul style="list-style-type: none"> - incorporated new requirements on the contents of the articles of incorporation - included provision regarding requirement that the articles of incorporation be filed in the form of an electronic document

<p>lawful money of the Philippines, the number of shares into which it is divided, and in case the share are par value shares, the par value of each, the names, nationalities and residences of the original subscribers, and the amount subscribed and paid by each on his subscription, and if some or all of the shares are without par value, such fact must be stated;</p> <p>9. If it be a non-stock corporation, the amount of its capital, the names, nationalities and residences of the contributors and the amount contributed by each; and</p> <p>10. Such other matters as are not inconsistent with law and which the incorporators may deem necessary and convenient.</p> <p>The Securities and Exchange Commission shall not accept the articles of incorporation of any stock corporation unless accompanied by a sworn statement of the Treasurer elected by the subscribers showing that at least twenty-five (25%) percent of the authorized capital stock of the corporation has been subscribed, and at least twenty-five (25%) of the total subscription has been fully paid to him in actual cash and/or in property the fair valuation of which is equal to at least twenty-five (25%) percent of the said subscription, such paid-up capital being not less than five thousand (P5,000.00) pesos.</p>	<p>nor more than fifteen (15);</p> <p>7. The names, nationalities and residences of persons who shall act as directors or trustees until the first regular directors or trustees are duly elected and qualified in accordance with this Code;</p> <p>8. If it be a stock corporation, the amount of its authorized capital stock in lawful money of the Philippines, the number of shares into which it is divided, and in case the share are par value shares, the par value of each, the names, nationalities and residences of the original subscribers, and the amount subscribed and paid by each on his subscription, and if some or all of the shares are without par value, such fact must be stated;</p> <p>9. If it be a non-stock corporation, the amount of its capital, the names, nationalities and residences of the contributors and the amount contributed by each THE TOTAL AMOUNT OF THE CONTRIBUTED CAPITAL BY THE INCORPORATORS AND MEMBERS THEREOF; and</p> <p>10. IF IT BE A STOCK CORPORATION, A STATEMENT OF THE TREASURER, WHO SHALL BE AN INCORPORATOR, THAT AT LEAST TWENTY-FIVE PERCENT (25%) OF THE NUMBER OF SHARES IN THE AUTHORIZED CAPITAL STOCK OF THE CORPORATION HAS BEEN SUBSCRIBED AND AT LEAST TWENTY-FIVE PERCENT (25%) OF THE TOTAL SUBSCRIPTION HAS BEEN FULLY PAID TO HIM IN ACTUAL CASH AND/OR IN PROPERTY THE FAIR VALUATION OF WHICH IS EQUAL TO AT LEAST TWENTY-FIVE (25%) PERCENT OF THE SAID SUBSCRIPTION, SUCH PAID-UP CAPITAL BEING NOT LESS THAN SIXTY TWO THOUSAND FIVE HUNDRED PESOS (P62,500.00) ;” AND</p> <p>11. Such other matters as are not inconsistent with law and which the incorporators may deem necessary and convenient.</p> <p>The Securities and Exchange Commission shall not accept the articles of incorporation of any stock corporation unless accompanied by a sworn statement of the Treasurer elected by the subscribers showing that at least twenty five (25%) percent of the authorized capital stock of the corporation has been subscribed, and at least twenty five (25%) of the total subscription has been fully paid to him in actual cash and/or in property the fair valuation of which is equal to at least twenty five (25%) percent of the said subscription, such paid-up capital being not less than five thousand</p>	
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	<p>(P5,000.00) pesos.</p> <p>ARTICLES OF INCORPORATION OR AMENDMENTS THERETO MAY BE FILED IN THE FORM OF AN ELECTRONIC DOCUMENT, IN ACCORDANCE WITH THE RULES AND REGULATIONS OF THE COMMISSION ON THE USE OF ELECTRONIC DATA MESSAGES.</p>	
<p>Section 15. Forms of Articles of Incorporation. – Unless otherwise prescribed by special law, articles of incorporation of all domestic corporations shall comply substantially with the following form:</p> <p>ARTICLES OF INCORPORATION OF _____ (Name of Corporation)</p> <p>KNOW ALL MEN BY THESE PRESENTS:</p> <p>The undersigned incorporators, all of legal age and a majority of whom are residents of the Philippines, have this day voluntarily agreed to form a (stock) (non-stock) corporation under the laws of the Republic of the Philippines;</p> <p>AND WE HEREBY CERTIFY:</p> <p>FIRST: That the name of said corporation shall be “_____, INC. or CORPORATION”;</p> <p>SECOND: That the purpose or purposes for which such corporation is incorporated are: (If there is more than one purpose, indicate primary and secondary purposes);</p> <p>THIRD: That the principal office of the corporation is located in the City/Municipality of _____, Province of _____, Philippines;</p> <p>FOURTH: That the term for which said corporation is to exist is _____ years from and after the date of issuance of the certificate of incorporation;</p> <p>FIFTH: That the names, nationalities and residences of the incorporators of</p>	<p>Section 15. Forms of Articles of Incorporation. – Unless otherwise prescribed by special law, articles of incorporation of all domestic corporations shall comply substantially with the following form:</p> <p>ARTICLES OF INCORPORATION OF _____ (Name of Corporation)</p> <p>KNOW ALL MEN PERSONS BY THESE PRESENTS:</p> <p>The undersigned incorporators, all of legal age and a majority of whom are residents of the Philippines, have this day voluntarily agreed to form a (stock) (non-stock) corporation under the laws of the Republic of the Philippines;</p> <p>AND WE HEREBY CERTIFY:</p> <p>FIRST: That the name of said corporation shall be “_____, INC. or CORPORATION”;</p> <p>SECOND: That the purpose or purposes for which such corporation is incorporated are: (If there is more than one purpose, indicate primary and secondary purposes);</p> <p>THIRD: That the principal office of the corporation is located in the City/Municipality of _____, Province of _____, Philippines;</p> <p>FOURTH: That the term for which said corporation is to exist is _____ years from and after the date of issuance of the certificate of incorporation;</p> <p>FIFTH: That the names, nationalities and residences of the incorporators of</p>	<p>- removed the Treasurer’s Affidavit but instead included the certification on the receipt of the cash or property in the body of the articles of incorporation</p>

the corporation are as follows:

NAME	NATIONALITY	RESIDENCE
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

SIXTH: That the number of directors or trustees of the corporation shall be _____; and the names, nationalities and residences of the first directors or trustees of the corporation are as follows:

NAME	NATIONALITY	RESIDENCE
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

SEVENTH: That the authorized capital stock of the corporation is _____ (P _____) PESOS in lawful money of the Philippines, divided into _____ shares with the par value of _____ (P _____) Pesos per share.

(In case all the share are without par value):

That the capital stock of the corporation is _____ shares without par value. (In case some shares have par value and some are without par value): That the capital stock of said corporation consists of _____ shares of which _____ shares are of the par value of _____ (P _____) PESOS each, and of which _____ shares are without par value.

EIGHTH: That at least twenty five (25%) per cent of the authorized capital stock above stated has been subscribed as follows:

Name of Subscriber	Nationality	No of Shares	Amount	Subscribed
Subscribed				

the corporation are as follows:

NAME	NATIONALITY	RESIDENCE
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

SIXTH: That the number of directors or trustees of the corporation shall be _____; and the names, nationalities and residences of the first directors or trustees of the corporation are as follows:

NAME	NATIONALITY	RESIDENCE
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

SEVENTH: That the authorized capital stock of the corporation is _____ (P _____) PESOS in lawful money of the Philippines, divided into _____ shares with the par value of _____ (P _____) Pesos per share.

(In case all the share are without par value):

That the capital stock of the corporation is _____ shares without par value. (In case some shares have par value and some are without par value): That the capital stock of said corporation consists of _____ shares of which _____ shares are of the par value of _____ (P _____) PESOS each, and of which _____ shares are without par value.

EIGHTH: That at least twenty five (25%) per cent of the authorized capital stock above stated has been subscribed as follows:

Name of Subscriber	Nationality	No of Shares	Amount	Subscribed
Subscribed				

NINTH: That the above-named subscribers have paid at least twenty-five (25%) percent of the total subscription as follows:

Name of Subscriber	Amount Subscribed	Total Paid-In
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

(Modify Nos. 8 and 9 if shares are with no par value. In case the corporation is non-stock, Nos. 7, 8 and 9 of the above articles may be modified accordingly, and it is sufficient if the articles state the amount of capital or money contributed or donated by specified persons, stating the names, nationalities and residences of the contributors or donors and the respective amount given by each.)

TENTH: That _____ has been elected by the subscribers as Treasurer of the Corporation to act as such until his successor is duly elected and qualified in accordance with the by-laws, and that as such Treasurer, he has been authorized to receive for and in the name and for the benefit of the corporation, all subscription (or fees) or contributions or donations paid or given by the subscribers or members.

ELEVENTH: (Corporations which will engage in any business or activity reserved for Filipino citizens shall provide the following):

“No transfer of stock or interest which shall reduce the ownership of Filipino citizens to less than the required percentage of the capital stock as provided by existing laws shall be allowed or permitted to be recorded in the proper books of the corporation and this restriction shall be indicated in all stock certificates issued by the corporation.”

IN WITNESS WHEREOF, we have hereunto signed these Articles of Incorporation, this _____ day of _____, 19 _____ in

NINTH: That the above-named subscribers have paid at least twenty-five (25%) percent of the total subscription as follows:

Name of Subscriber	Amount Subscribed	Total Paid-In
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

(Modify Nos. 8 and 9 if shares are with no par value. In case the corporation is non-stock, Nos. 7, 8 and 9 of the above articles may be modified accordingly, and it is sufficient if the articles state the amount of capital or money contributed or donated by specified persons, stating the names, nationalities and residences of the contributors or donors and the respective amount given by each.)

TENTH: That _____ has been elected by the subscribers as Treasurer of the Corporation to act as such until his successor is duly elected and qualified in accordance with the by-laws, ~~and~~ that as such Treasurer, he has been authorized to receive for and in the name and for the benefit of the corporation, all subscription (or fees) or contributions or donations paid or given by the subscribers or members, **THAT HE CERTIFIES THE INFORMATION SET FORTH IN THE SEVENTH, EIGHT AND NINTH CLAUSES ABOVE, AND THAT HE HAS RECEIVED THE PAID-UP PORTION OF THE SUBSCRIPTION IN CASH OR PROPERTY FOR THE BENEFIT AND CREDIT OF THE CORPORATION.**

ELEVENTH: (Corporations which will engage in any business or activity reserved for Filipino citizens shall provide the following):

“No transfer of stock or interest which shall reduce the ownership of Filipino citizens to less than the required percentage of the capital stock as provided by existing laws shall be allowed or permitted to be recorded in the proper

the City/Municipality of _____, Province of _____, Republic of the Philippines.

(Names and signatures of the incorporators)

SIGNED IN THE PRESENCE OF:

(Notarial Acknowledgment)

TREASURER'S AFFIDAVIT

REPUBLIC OF THE PHILIPPINES)

CITY/MUNICIPALITY OF) S.S.

PROVINCE OF)

I, _____, being duly sworn, depose and say:

That I have been elected by the subscribers of the corporation as Treasurer thereof, to act as such until my successor has been duly elected and qualified in accordance with the by-laws of the corporation, and that as such Treasurer, I hereby certify under oath that at least 25% of the authorized capital stock of the corporation has been subscribed and at least 25% of the total subscription has been paid, and received by me, in cash or property, in the amount of not less than P5,000.00, in accordance with the Corporation Code.

(Signature of Treasurer)

SUBSCRIBED AND SWORN to before me, a Notary Public, for and in the City/Municipality of _____ Province of _____, this _____ day of _____, 19 _____; by _____ with Res. Cert. No. _____ issued at _____ on _____, 19 _____

books of the corporation and this restriction shall be indicated in all stock certificates issued by the corporation.”

IN WITNESS WHEREOF, we have hereunto signed these Articles of Incorporation, this _____ day of _____, 19 **20** _____ in the City/Municipality of _____, Province of _____, Republic of the Philippines.

(Names and signatures of the incorporators)

SIGNED IN THE PRESENCE OF:

(Notarial Acknowledgment)

TREASURER'S AFFIDAVIT

REPUBLIC OF THE PHILIPPINES)

CITY/MUNICIPALITY OF) S.S.

PROVINCE OF)

I, _____, being duly sworn, depose and say:

~~That I have been elected by the subscribers of the corporation as Treasurer thereof, to act as such until my successor has been duly elected and qualified in accordance with the by-laws of the corporation, and that as such Treasurer, I hereby certify under oath that at least 25% of the authorized capital stock of the corporation has been subscribed and at least 25% of the total subscription has been paid, and received by me, in cash or property, in the amount of not less than P5,000.00, in accordance with the Corporation Code.~~

(Signature of Treasurer)

~~SUBSCRIBED AND SWORN to before me, a Notary Public, for and in the~~

<p>NOTARY PUBLIC My commission expires on _____, 19 ____ Doc. No. _____; Page No. _____; Book No. _____; Series of 19 ____ (7a)</p>	<p>City/Municipality _____ of _____ Province _____ of _____, this _____ day of _____, 19 ____; by _____ with Res. Cert. No. _____ issued at _____ on _____, 19 ____</p> <p>NOTARY PUBLIC My commission expires on _____, 19 ____ Doc. No. _____; Page No. _____; Book No. _____; Series of 19 ____ (7a)</p>	
<p>Section 16. Amendment of Articles of Incorporation. – Unless otherwise prescribed by this Code or by special law, and for legitimate purposes, any provision or matter stated in the articles of incorporation may be amended by a majority vote of the board of directors or trustees and the vote or written assent of the stockholders representing at least two-thirds (2/3) of the outstanding capital stock, without prejudice to the appraisal right of dissenting stockholders in accordance with the provisions of this Code, or the vote or written assent of at least two-thirds (2/3) of the members if it be a non-stock corporation.</p> <p>The original and amended articles together shall contain all provisions required by law to be set out in the articles of incorporation. Such articles, as amended shall be indicated by underscoring the change or changes made, and a copy thereof duly certified under oath by the corporate secretary and a majority of the directors or trustees stating the fact that said amendment or amendments have been duly approved by the required vote of the stockholders or members, shall be submitted to the Securities and Exchange Commission.</p> <p>The amendments shall take effect upon their approval by the Securities and Exchange Commission or from the date of filing with the said Commission if not acted upon within six (6) months from the date of filing for a cause not attributable to the corporation.</p>	<p>Section 16. Amendment of Articles of Incorporation. – Unless otherwise prescribed by this Code or by special law, and for legitimate purposes, any provision or matter stated in the articles of incorporation may be amended by a majority vote of the board of directors or trustees and the vote or written assent of the stockholders representing at least two-thirds (2/3) of the outstanding capital stock, without prejudice to the appraisal right of dissenting stockholders in accordance with the provisions of this Code, or the vote or written assent of at least two-thirds (2/3) of the members if it be a non-stock corporation.</p> <p>The original and amended articles together shall contain all provisions required by law to be set out in the articles of incorporation. Such articles, as amended shall be indicated by underscoring the change or changes made, and a copy thereof duly certified under oath by the corporate secretary and a majority of the directors or trustees stating the fact that said amendment or amendments have been duly approved by the required vote of the stockholders or members, shall be submitted to the Securities and Exchange Commission.</p> <p>The amendments shall take effect upon their approval by the Securities and Exchange Commission or from the date of filing with the said Commission if not acted upon within six (6) months from the date of filing for a cause not attributable to the corporation.</p>	No major amendment
<p>Section 17. Grounds when articles of incorporation or amendment may be rejected or disapproved. – The Securities and Exchange Commission may reject the articles of incorporation or disapprove any amendment thereto if the same is not in compliance with the requirements of this Code: Provided,</p>	<p>Section 17. Grounds when articles of incorporation or amendment may be rejected or disapproved. – The Securities and Exchange Commission may reject the articles of incorporation or disapprove any amendment thereto if the same is not in compliance with the requirements of this Code: Provided,</p>	No major amendment

<p>That the Commission shall give the incorporators a reasonable time within which to correct or modify the objectionable portions of the articles or amendment. The following are grounds for such rejection or disapproval:</p> <ol style="list-style-type: none"> 4. That the articles of incorporation or any amendment thereto is not substantially in accordance with the form prescribed herein; <ol style="list-style-type: none"> 2. That the purpose or purposes of the corporation are patently unconstitutional, illegal, immoral, or contrary to government rules and regulations; 3. That the Treasurer's Affidavit concerning the amount of capital stock subscribed and/or paid is false; 4. That the percentage of ownership of the capital stock to be owned by citizens of the Philippines has not been complied with as required by existing laws or the Constitution. <p>No articles of incorporation or amendment to articles of incorporation of banks, banking and quasi-banking institutions, building and loan associations, trust companies and other financial intermediaries, insurance companies, public utilities, educational institutions, and other corporations governed by special laws shall be accepted or approved by the Commission unless accompanied by a favorable recommendation of the appropriate government agency to the effect that such articles or amendment is in accordance with law. (n)</p>	<p>That the Commission shall give the incorporators, DIRECTORS, TRUSTEES OR OFFICERS a reasonable time within which to correct or modify the objectionable portions of the articles or amendment. The following are grounds for such rejection or disapproval:</p> <ol style="list-style-type: none"> 4. That the articles of incorporation or any amendment thereto is not substantially in accordance with the form prescribed herein; <ol style="list-style-type: none"> 2. That the purpose or purposes of the corporation are patently unconstitutional, illegal, immoral, or contrary to government rules and regulations; 3. That the Treasurer's Affidavit concerning the amount of capital stock subscribed and/or paid is false; 4. That the percentage of ownership of the capital stock to be owned by citizens of the Philippines has not been complied with as required by existing laws or the Constitution. <p>No articles of incorporation or amendment to articles of incorporation of banks, banking and quasi-banking institutions, building and loan associations, trust companies and other financial intermediaries, insurance companies, public utilities, educational institutions, and other corporations governed by special laws shall be accepted or approved by the Commission unless accompanied by a favorable recommendation of the appropriate government agency to the effect that such articles or amendment is in accordance with law. (n)</p> <p>THE COMMISSION MAY REQUIRE AN ENDORSEMENT OR FAVORABLE RECOMMENDATION FROM ANOTHER APPROPRIATE GOVERNMENT AGENCY.</p>	
<p>Section 18. Corporate name. – No corporate name may be allowed by the Securities and Exchange Commission if the proposed name is identical or deceptively or confusingly similar to that of any existing corporation or to any other name already protected by law or is patently deceptive, confusing or contrary to existing laws. When a change in the corporate name is approved, the Commission shall issue an amended certificate of incorporation under the amended name. (n)</p>	<p>Section 18. Corporate name. – No corporate name may be allowed by the Securities and Exchange Commission if the proposed name is identical or deceptively or confusingly similar NOT DISTINGUISHABLE to that of FROM THAT ALREADY RESERVED OR REGISTERED IN FAVOR OF any existing corporation or to any other name already protected by law, or WHEN THE SAME is patently deceptive, confusing or contrary to existing laws.</p>	<p>- included a more detailed guidelines and requirements as to the corporate name</p>

THE COMMISSION SHALL DETERMINE WHETHER A NAME IS DISTINGUISHABLE FROM ANOTHER NAME FOR PURPOSES OF THIS CODE. WITHOUT EXCLUDING OTHER NAMES WHICH MAY NOT CONSTITUTE DISTINGUISHABLE NAMES AS DETERMINED BY THE COMMISSION, AND SUBJECT TO THE RULES OR GUIDELINES THE COMMISSION MAY SET WITH RESPECT THERETO, A NAME IS NOT CONSIDERED DISTINGUISHABLE FOR PURPOSES OF THIS CODE SOLELY BECAUSE IT CONTAINS ONE OR MORE OF THE FOLLOWING:

1. THE WORD "CORPORATION", "COMPANY", "INCORPORATED", OR "LIMITED", "LIMITED LIABILITY" OR AN ABBREVIATION OF ONE OF SUCH WORDS;
2. PUNCTUATIONS, ARTICLES, CONJUNCTIONS, CONTRACTIONS, ABBREVIATIONS, DIFFERENT TENSES, SPACING OR NUMBER OF THE SAME WORD OR PHRASE.

THE FACT THAT A CORPORATE NAME COMPLIES WITH THIS SECTION DOES NOT CREATE SUBSTANTIVE RIGHTS TO THE USE OF THAT CORPORATE NAME. THE COMMISSION SHALL HAVE THE AUTHORITY TO SUMMARILY REMOVE FROM REGISTRATION OR RESERVATION ANY NAME WHICH IT LATER DETERMINES TO BE NOT DISTINGUISHABLE AS STATED ABOVE.

WHEN A CORPORATE NAME IS REMOVED FROM REGISTRATION, THE CORPORATION SHALL IMMEDIATELY CEASE FROM USING THE SAME AND APPLY FOR THE REGISTRATION OF A NEW CORPORATE NAME. SIMILARLY, A CORPORATION DIRECTED BY FINAL JUDGMENT TO CHANGE ITS CORPORATE NAME SHALL NOT USE THE SAME IN ITS OPERATIONS OR IN ANY OTHER WAY, EVEN AFTER ITS DISSOLUTION OR REVOCATION AS A CORPORATION.

When a change in the corporate name is approved, the Commission shall issue an amended certificate of incorporation under the amended name.

IF A CORPORATION USES OR CONTINUES TO USE A CORPORATE NAME ALREADY REMOVED FROM REGISTRATION OR RESERVATION, OR WHICH HAS BEEN DIRECTED TO BE CHANGED BY FINAL JUDGMENT, THE COMMISSION SHALL DULY NOTIFY SAID CORPORATION AND REQUIRE IT TO CEASE AND DESIST FROM THE

	<p>CONTINUED USE OF SUCH CORPORATE NAME WITHIN A PERIOD OF FIVE (5) DAYS. IF THE CORPORATION FAILS TO COMPLY WITH THE COMMISSION'S ORDER WITHIN THE FIVE-DAY PERIOD, THE COMMISSION MAY HOLD THE CORPORATION AND/OR ITS RESPONSIBLE DIRECTORS OR OFFICERS IN CONTEMPT, AND/OR CAUSE THE REMOVAL OF ALL VISIBLE SIGNAGES, MARKS, ADVERTISEMENTS, LABELS, PRINTS AND OTHER EFFECTS BEARING SUCH CORPORATE NAME IN THEIR POSSESSION. LIABILITY UNDER THIS SECTION SHALL BE WITHOUT PREJUDICE TO THE CORPORATION'S AND/OR ITS RESPONSIBLE DIRECTORS' OR OFFICERS' LIABILITY FOR OTHER ADMINISTRATIVE, CIVIL, OR CRIMINAL SANCTIONS UNDER THIS CODE AND OTHER LAWS.</p>	
<p>Section 19. Commencement of corporate existence. – A private corporation formed or organized under this Code commences to have corporate existence and juridical personality and is deemed incorporated from the date the Securities and Exchange Commission issues a certificate of incorporation under its official seal; and thereupon the incorporators, stockholders/members and their successors shall constitute a body politic and corporate under the name stated in the articles of incorporation for the period of time mentioned therein, unless said period is extended or the corporation is sooner dissolved in accordance with law. (n)</p>	<p>Section 19. REGISTRATION, INCORPORATION AND commencement of corporate existence. – A PERSON OR GROUP OF PERSONS DESIRING TO INCORPORATE SHALL SUBMIT THE INTENDED CORPORATE NAME TO THE COMMISSION FOR VERIFICATION. IF THE COMMISSION FINDS THAT THE NAME IS DISTINGUISHABLE, THE NAME SHALL BE RESERVED IN FAVOR OF THE INCORPORATORS. THE INCORPORATORS SHALL THEN: (A) SUBMIT, AS MAY BE APPLICABLE, THEIR ARTICLES OF INCORPORATION, THEIR BY-LAWS, AND SUCH OTHER DOCUMENTS AND/OR INFORMATION AS MAY BE REQUIRED BY THE COMMISSION; AND (B) PAY THE PRESCRIBED FEES. INCORPORATORS SHALL HAVE THE OPTION OF RESERVING A CORPORATE NAME, SUBMITTING THE REQUIREMENTS FOR INCORPORATION AND PAYING THE PRESCRIBED FEES EITHER THROUGH THE MANUAL PROCESS AT THE OFFICE OF THE COMMISSION OR THROUGH ANY OTHER SYSTEM OF REGISTRATION AND INCORPORATION WHICH THE COMMISSION MAY ESTABLISH, SUBJECT TO THE CORRESPONDING RULES AND PROCEDURES THE COMMISSION SHALL PRESCRIBE THEREFOR. IF THE COMMISSION FINDS THAT THE SUBMITTED DOCUMENTS, INFORMATION AND PAYMENT ARE COMPLETE AND IN FULL COMPLIANCE OF THE REQUIREMENTS UNDER THIS CODE AND THE RULES OF THE COMMISSION, AND THERE IS NO OTHER GROUND TO REJECT OR DISAPPROVE ANY OF THE SUBMISSIONS, THE COMMISSION SHALL ISSUE THE CORRESPONDING CERTIFICATE OF INCORPORATION AND REGISTER THE CORPORATE NAME EARLIER RESERVED.</p>	<p>- included a provision on the requirements for the registration and incorporation of corporation prior to the commencement of corporate existence</p>

	<p>A private corporation formed or organized under this Code commences to have corporate existence and juridical personality and is deemed incorporated from the date the Securities and Exchange Commission issues a THE certificate of incorporation under its official seal; PROVIDED, THAT THE COMMISSION MAY ISSUE THE CERTIFICATE OF INCORPORATION IN THE FORM OF AN ELECTRONIC DOCUMENT, IN ACCORDANCE WITH THE RULES AND REGULATIONS OF THE COMMISSION ON THE USE OF ELECTRONIC DATA MESSAGES; and thereupon the incorporators, stockholders/members and their successors shall constitute a body politic and corporate under the name stated in the articles of incorporation for the period of time mentioned therein, unless said period is extended or the corporation is sooner dissolved in accordance with law.</p>	
<p>Section 22. Effects on non-use of corporate charter and continuous inoperation of a corporation. – If a corporation does not formally organize and commence the transaction of its business or the construction of its works within two (2) years from the date of its incorporation, its corporate powers cease and the corporation shall be deemed dissolved. However, if a corporation has commenced the transaction of its business but subsequently becomes continuously inoperative for a period of at least five (5) years, the same shall be a ground for the suspension or revocation of its corporate franchise or certificate of incorporation. (19a)</p> <p>This provision shall not apply if the failure to organize, commence the transaction of its businesses or the construction of its works, or to continuously operate is due to causes beyond the control of the corporation as may be determined by the Securities and Exchange Commission.</p>	<p>Section 22. Effects on non-use of corporate charter and continuous inoperation of a corporation; DELINQUENCY AND REVOCATION – If a corporation does not formally organize and commence the transaction of its business or the construction of its works within two (2) FIVE (5) years from the date of its incorporation, its corporate powers cease and the corporation CERTIFICATE OF INCORPORATION shall be deemed dissolved REVOKED AS OF THE DAY FOLLOWING THE END OF SAID FIVE-YEAR PERIOD, WITHOUT NEED OF FURTHER ACTION BY THE COMMISSION.</p> <p>However, if a corporation has commenced the transaction of its business but subsequently becomes BECAME continuously inoperative for a period of at least five (5) CONSECUTIVE years, the same shall be a ground for the suspension or revocation of its corporate franchise or certificate of incorporation THE COMMISSION MAY, AFTER DUE NOTICE AND HEARING, EITHER REVOKE THE CORPORATION'S CERTIFICATE OF INCORPORATION OR PLACE THE CORPORATION UNDER DELINQUENCY STATUS. THE CORPORATION'S FAILURE TO COMPLY WITH THE REPORTORIAL REQUIREMENTS UNDER SECTION 180 SHALL RENDER IT INOPERATIVE FOR PURPOSES OF THIS CODE.</p> <p>THE COMMISSION SHALL GIVE A DELINQUENT CORPORATION A PERIOD OF TWO YEARS WITHIN WHICH IT MUST RESUME OPERATIONS, COMPLY WITH ALL REQUIREMENTS, AND PAY ALL FINES THE COMMISSION SHALL PRESCRIBE. THE COMMISSION SHALL CHARGE SUCH PENALTIES AS IT MAY DEEM APPROPRIATE.</p>	<ul style="list-style-type: none"> - changed the lead time period of continuous inoperation of a corporation from 2 years to 5 years before it deemed revoked - provided a more detailed guidelines as to the revocation of corporation

AND WITHHOLD ACTION ON ANY MATTER BROUGHT BY A DELINQUENT CORPORATION, INCLUDING BUT NOT LIMITED TO APPLICATIONS FOR THE AMENDMENT OF THE ARTICLES OF INCORPORATION AND/OR BY-LAWS AND THE ISSUANCE OF CERTIFICATIONS OF GOOD STANDING OR THOSE REQUIRED FOR TRANSACTIONS WITH OTHER GOVERNMENT AGENCIES, UNTIL FULL COMPLIANCE WITH THE COMMISSION'S REQUIREMENTS AND PAYMENT OF ALL FINES AND PENALTIES ARE MADE.

ONCE COMPLIANCE WITH THE COMMISSION'S REQUIREMENTS AND PAYMENT OF FINES AND PENALTIES ARE COMPLETED, THE COMMISSION SHALL ISSUE AN ORDER LIFTING THE DELINQUENCY STATUS. FAILURE TO RESUME OPERATIONS, COMPLY WITH THE COMMISSION'S REQUIREMENTS, AND PAY THE PENALTIES PRESCRIBED WITHIN THE PERIOD GIVEN BY THE COMMISSION OR ANY EXTENSION GRANTED BY IT, HOWEVER, SHALL RENDER THE CORPORATION'S CERTIFICATE OF INCORPORATION REVOKED AS OF THE LAPSE OF SAID PERIOD WITHOUT NEED OF FURTHER ACTION BY THE COMMISSION.

THE COMMISSION SHALL REVOKE THE CERTIFICATE OF INCORPORATION OF A CORPORATION WHEN DIRECTED BY FINAL JUDGMENT OF A COMPETENT COURT OR WHEN, AFTER DUE NOTICE AND HEARING, THE COMMISSION DETERMINES THAT THE CORPORATION COMMITTED VIOLATIONS OF THIS CODE OR ITS RULES WHICH WARRANT THE REVOCATION OF ITS CERTIFICATE OF INCORPORATION.

ONCE THE REVOCATION BECOMES FINAL, I.E. AFTER THE LAPSE OF FIFTEEN DAYS FROM THE DATE OF REVOCATION, THE CORPORATION SHALL BE BANNED FROM ANY FURTHER USE OF THE CORPORATE NAME AND SHALL BE DISSOLVED IN ACCORDANCE WITH THE PROVISIONS ON DISSOLUTION UNDER TITLE XIV OF THIS CODE.

~~This provision shall not apply if the failure to organize, commence the transaction of its businesses or the construction of its works, or to continuously operate is due to causes beyond the control of the corporation as may be determined by the Securities and Exchange Commission.~~

Section 23. The board of directors or trustees. – Unless otherwise provided in this Code, the corporate powers of all corporations formed under this Code shall be exercised, all business conducted and all property of such corporations controlled and held by the board of directors or trustees to be elected from among the holders of stocks, or where there is no stock, from among the members of the corporation, who shall hold office for one (1) year until their successors are elected and qualified. (28a)

Every director must own at least one (1) share of the capital stock of the corporation of which he is a director, which share shall stand in his name on the books of the corporation. Any director who ceases to be the owner of at least one (1) share of the capital stock of the corporation of which he is a director shall thereby cease to be a director. Trustees of non-stock corporations must be members thereof. A majority of the directors or trustees of all corporations organized under this Code must be residents of the Philippines.

Section 23. The board of directors or trustees. – Unless otherwise provided in this Code, the corporate powers of all corporations formed under this Code shall be exercised, all business conducted and all property of such corporations controlled and held by the board of directors or trustees ~~to be elected from among the holders of stocks, or where there is no stock, from among the members of the corporation,~~ who shall hold office for one (1) year until their successors are elected and qualified. (28a)

ONE PERSON CORPORATIONS SHALL HAVE ONLY ONE (1) DIRECTOR OR TRUSTEE. SMALL CORPORATIONS SHALL HAVE AS MANY DIRECTORS AS THERE ARE INCORPORATORS, NOT EXCEEDING THREE (3). A CORPORATION SHALL BE DEEMED TO BE A SMALL CORPORATION WHEN IT HAS ONLY TWO (2) OR THREE (3) INCORPORATORS AND ITS TOTAL ASSETS DO NOT EXCEED FIVE MILLION PESOS (PHP5,000,000.00)

CORPORATIONS WITH TEN (10) OR MORE MEMBERS, AS WELL AS THOSE WITH TEN (10) OR MORE STOCKHOLDERS AND WITH TOTAL ASSETS OF AT LEAST ONE HUNDRED MILLION PESOS (P100,000,000.00), OR SUCH NUMBER AND AMOUNT AS MAY BE LATER SET BY THE COMMISSION, SHALL HAVE AT LEAST ONE (1) INDEPENDENT DIRECTOR OR TRUSTEE, OR SUCH OTHER MINIMUM NUMBER WHICH THE COMMISSION MAY DETERMINE AS NECESSARY FOR GOOD CORPORATE GOVERNANCE. THE COMMISSION SHALL PRESCRIBE THE MINIMUM STANDARDS OR CRITERIA IN DETERMINING THE INDEPENDENCE OF A DIRECTOR.

EXCEPT WITH RESPECT TO INDEPENDENT DIRECTORS, DIRECTORS SHALL BE ELECTED FROM AMONG THE HOLDERS OF STOCKS ~~Every director~~ **AND** must **EACH** own at least one (1) share of the capital stock of the corporation of which he is a director, which share shall stand in his name ~~or~~ **IN** the books of the corporation. ~~Any~~ **IF ANY SUCH** director ~~who~~ ceases to be the owner of at least one (1) share of the capital stock of the corporation of which he is a director **HE** shall thereby cease to be a director.

~~Trustees of non-stock corporations must be members thereof,~~ **OTHER THAN INDEPENDENT TRUSTEES, SHALL BE ELECTED FROM AMONG THE MEMBERS OF THE CORPORATION. IF ANY SUCH TRUSTEE CEASES TO BE A MEMBER OF THE CORPORATION, HE SHALL THEREBY CEASE TO BE A TRUSTEE.**

- included provisions as to the minimum number of directors

- included provision to distinguish one person corporation, small corporation, and large corporation

- included provisions as to the requirements of the composition of the board of directors or trustees

- included requirements about the attendance of the board and stockholders during the meeting

	<p>A majority of the directors or trustees of all corporations organized under this Code, INCLUSIVE OF INDEPENDENT DIRECTORS OR TRUSTEES, must be residents of the Philippines.</p> <p>IT SHALL BE THE DUTY OF ALL DIRECTORS OR TRUSTEES TO ATTEND ALL MEETINGS OF THE BOARD AND OF THE STOCKHOLDERS OR MEMBERS AND THEIR ABSENCE MAY BE EXCUSED ONLY FOR JUSTIFIABLE REASONS. WHEN RELATED PARTY TRANSACTIONS OR SELF-DEALINGS OF A DIRECTOR ARE TAKEN UP, THE CONCERNED DIRECTOR SHALL ABSENT HIMSELF FROM THE MEETING AND HIS ABSENCE SHALL NOT BE COUNTED AGAINST HIM. DIRECTORS AND TRUSTEES SHALL HAVE SUCH OTHER DUTIES AND RESPONSIBILITIES PROVIDED IN THE CORPORATION'S BY-LAWS AND AS MAY BE PRESCRIBED BY THE COMMISSION FOR GOOD CORPORATE GOVERNANCE.</p>	
<p>Section 24. Election of directors or trustees. – At all elections of directors or trustees, there must be present, either in person or by representative authorized to act by written proxy, the owners of a majority of the outstanding capital stock, or if there be no capital stock, a majority of the members entitled to vote. The election must be by ballot if requested by any voting stockholder or member. In stock corporations, every stockholder entitled to vote shall have the right to vote in person or by proxy the number of shares of stock standing, at the time fixed in the by-laws, in his own name on the stock books of the corporation, or where the by-laws are silent, at the time of the election; and said stockholder may vote such number of shares for as many persons as there are directors to be elected or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit: Provided, That the total number of votes cast by him shall not exceed the number of shares owned by him as shown in the books of the corporation multiplied by the whole number of directors to be elected: Provided, however, That no delinquent stock shall be voted. Unless otherwise provided in the articles of incorporation or in the by-laws, members of corporations which have no capital stock may cast as many votes as there are trustees to be elected but may not cast more than one vote for one candidate. Candidates receiving the highest number of votes shall be declared elected. Any meeting of the stockholders or members called for an election may adjourn from day to day or from time to time but</p>	<p>Section 24. Election of directors or trustees. – OTHER THAN IN INSTANCES WHEN THE EXCLUSIVE RIGHT IS WITHHELD FOR HOLDERS OF FOUNDERS' SHARES UNDER SECTION 7, EACH STOCKHOLDER OR MEMBER SHALL HAVE THE RIGHT TO NOMINATE ANY DIRECTOR OR TRUSTEE WHO POSSESSES ALL OF THE QUALIFICATIONS AND NONE OF THE DISQUALIFICATIONS SET FORTH IN THIS CODE OR IN THE RULES OF THE COMMISSION.</p> <p>EXCEPT AS PROVIDED IN SECTION 26 OF THIS CODE, at all elections of directors or trustees, there must be present, either in person, BY REMOTE COMMUNICATION or by representative authorized to act by written proxy, the owners of a majority of the outstanding capital stock, or if there be no capital stock, a majority of the members entitled to vote; PROVIDED THAT WHEN A VOTE IS CAST IN ABSENTIA, THE STOCKHOLDER OR MEMBER WHO CAST THE VOTE SHALL BE DEEMED PRESENT FOR PURPOSES OF QUORUM.</p> <p>EACH STOCKHOLDER OR MEMBER SHALL HAVE THE RIGHT TO VOTE IN PERSON, BY REMOTE COMMUNICATION, BY PROXY, AND/OR IN ABSENTIA; PROVIDED THAT VOTING BY REMOTE COMMUNICATION OR IN ABSENTIA MAY BE RESORTED TO ONLY WHEN ALLOWED EITHER BY THE BY-LAWS OF THE CORPORATION OR BY A MAJORITY OF THE BOARD OF DIRECTORS AND WHEN THE CORPORATION HAS INSTITUTED REASONABLE MEASURES TO</p>	<p>- included more guidelines and emphasis on the rights of stockholders in the election of directors or trustees</p>

not sine die or indefinitely if, for any reason, no election is held, or if there are not present or represented by proxy, at the meeting, the owners of a majority of the outstanding capital stock, or if there be no capital stock, a majority of the member entitled to vote.

VERIFY THAT THE PERSON PERMITTED TO PARTICIPATE OR VOTE BY REMOTE COMMUNICATION OR IN ABSENTIA IS A STOCKHOLDER OR MEMBER, OR A HOLDER OF A PROXY FROM A STOCKHOLDER OR MEMBER, AND TO RECORD ALL VOTES AND OTHER ACTIONS TAKEN AT THE MEETING. WHEN ATTENDANCE AT THE MEETING IS BY REMOTE COMMUNICATION, THE CORPORATION SHALL PROVIDE THE STOCKHOLDER OR MEMBER, OR PROXY-HOLDER, A REASONABLE OPPORTUNITY TO PARTICIPATE IN THE MEETING, HEAR OR SEE THE PROCEEDINGS AS WELL AS BE HEARD OR SEEN BY OTHER STOCKHOLDERS OR MEMBERS, AND TO CAST THEIR VOTE SUBSTANTIALLY CONCURRENTLY WITH SUCH PROCEEDINGS. WHEN VOTING IN ABSENTIA, IS ALLOWED, THE CORPORATION SHALL INSTITUTE REASONABLE MEASURES TO TIMELY PROVIDE THE STOCKHOLDER OR MEMBER WITH INFORMATION ON THE NOMINEES AND GIVE THEM A REASONABLE OPPORTUNITY TO ASK QUESTIONS BEFORE CASTING THEIR VOTES. THE COMMISSION SHALL PRESCRIBE THE MINIMUM STANDARDS OR GUIDELINES TO MAKE ATTENDANCE BY REMOTE COMMUNICATION AND VOTING IN ABSENTIA EFFICIENT AND ACCESSIBLE FORA FOR STOCKHOLDERS OR MEMBERS.

The election must be by ballot if requested by any voting stockholder or member.

In stock corporations, every stockholder entitled to vote shall have the right to vote ~~in person or by proxy~~ the number of shares of stock standing, at the time fixed in the by-laws, in his own name ~~or~~ **IN** the stock books of the corporation, or where the by-laws are silent, at the time of the election; and said stockholder may vote such number of shares for as many persons as there are directors to be elected or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit: Provided, That the total number of votes cast by him shall not exceed the number of shares owned by him as shown in the books of the corporation multiplied by the whole number of directors to be elected: Provided, however, That no delinquent stock shall be voted. Unless otherwise provided in the articles of incorporation or in the by-laws, members of corporations which have no capital stock may cast as many votes as there are trustees to be elected but may not cast more than one vote for one

	<p>candidate. Candidates receiving the highest number of votes shall be declared elected.</p> <p>Any meeting of the stockholders or members called for an election may adjourn from day to day or from time to time but not sine die or indefinitely. If, for any reason, no election is held, or if there are not present or represented by proxy, at the meeting, the owners of a majority of the outstanding capital stock, or if there be no capital stock, a majority of the member entitled to vote, THE MEETING MAY BE ADJOURNED AND THE CORPORATION SHALL PROCEED IN ACCORDANCE WITH SECTION 26 OF THIS CODE.</p>	
<p>Section 25. Corporate officers, quorum. – Immediately after their election, the directors of a corporation must formally organize by the election of a president, who shall be a director, a treasurer who may or may not be a director, a secretary who shall be a resident and citizen of the Philippines, and such other officers as may be provided for in the by-laws. Any two (2) or more positions may be held concurrently by the same person, except that no one shall act as president and secretary or as president and treasurer at the same time.</p> <p>The directors or trustees and officers to be elected shall perform the duties enjoined on them by law and the by-laws of the corporation. Unless the articles of incorporation or the by-laws provide for a greater majority, a majority of the number of directors or trustees 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 or trustees 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.</p> <p>Directors or trustees cannot attend or vote by proxy at board meetings.</p>	<p>Section 25. Corporate officers, quorum. – Immediately after their election, the directors of a corporation must formally organize by the election of a president OR CHIEF EXECUTIVE OFFICER, who shall be a director, a treasurer OR CHIEF FINANCIAL OFFICER, who may or may not be a director, a secretary who shall be a resident and citizen of the Philippines, A COMPLIANCE OFFICER WHO SHALL REPORT DIRECTLY TO THE CHAIRMAN OF THE BOARD, and such other officers as may be provided for in the by-laws. Any two (2) or more positions OTHER THAN THAT OF THE COMPLIANCE OFFICER may be held concurrently by the same person, except that no one shall act as president and secretary or as president and treasurer at the same time.</p> <p>The directors or trustees and officers to be elected shall perform the duties enjoined on them by law and the by-laws of the corporation. Unless the articles of incorporation or the by-laws provide for a greater majority, a majority of the number of directors or trustees 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 or trustees 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.</p> <p>Directors or trustees cannot attend or vote by proxy at board meetings.; HOWEVER, WHEN ALLOWED BY THE BY-LAWS, THEY CAN ATTEND BOARD MEETINGS THROUGH REMOTE COMMUNICATION SUCH AS VIDEOCONFERENCING, TELECONFERENCING OR OTHER TECHNOLOGY THAT ALLOWS THEM A REASONABLE OPPORTUNITY TO PARTICIPATE.</p>	<ul style="list-style-type: none"> - included a requirement to elect a compliance officer as among those minimum corporate officers - included provision to allow attendance through remote communication subject to the provision of its by-laws

Section 26. *Report of election of directors, trustees and officers.* – Within thirty (30) days after the election of the directors, trustees and officers of the corporation, the secretary, or any other officer of the corporation, shall submit to the Securities and Exchange Commission, the names, nationalities and residences of the directors, trustees, and officers elected. Should a director, trustee or officer die, resign or in any manner cease to hold office, his heirs in case of his death, the secretary, or any other officer of the corporation, or the director, trustee or officer himself, shall immediately report such fact to the Securities and Exchange Commission.

Section 26. *Report of election of directors, trustees and officers, NON-HOLDING OF ELECTION AND CESSATION FROM OFFICE.* – Within thirty (30) days after the election of the directors, trustees and officers of the corporation, the secretary, or any other officer of the corporation, shall submit to the ~~Securities and Exchange~~ Commission, the names, nationalities, **SHAREHOLDINGS** and residences of the directors, trustees, and officers elected.

THE NON-HOLDING OF ANY ELECTION AND THE REASONS THEREFOR, SHALL BE REPORTED TO THE COMMISSION WITHIN THREE (3) DAYS FROM THE DATE OF THE SCHEDULED ELECTION; PROVIDED THAT, THE NOTICE OF NON-HOLDING MAY BE SUBMITTED IN THE FORM OF AN ELECTRONIC DOCUMENT, IN ACCORDANCE WITH THE RULES AND REGULATIONS OF THE COMMISSION ON THE USE OF ELECTRONIC DATA MESSAGES.

WHEN PERTAINING TO THE ORIGINAL SCHEDULE, THE REPORT OF NON-HOLDING SHALL FURTHER SPECIFY A NEW DATE FOR THE ELECTION, WHICH SHALL NOT BE LATER THAN THIRTY DAYS FROM THE ORIGINAL DATE.

IF NO NEW DATE HAS BEEN DESIGNATED, OR IF THE NEWLY-SCHEDULED ELECTION BE LIKEWISE NOT HELD, THE COMMISSION MAY, MOTU PROPRIO OR UPON THE APPLICATION OF ANY STOCKHOLDER, MEMBER, DIRECTOR OR TRUSTEE AND AFTER VERIFICATION OF THE NON-HOLDING OF THE ELECTION OF DIRECTORS OR TRUSTEES, REQUIRE THE CORPORATE SECRETARY ON RECORD TO IMMEDIATELY ISSUE A LIST OF STOCKHOLDERS OR MEMBERS, THEIR ADDRESSES AND CONTACT NUMBERS AND SIMILAR INFORMATION, AND SUMMARILY ORDER THAT THE ELECTION BE HELD. IN THIS REGARD, THE COMMISSION SHALL HAVE THE POWER TO ISSUE SUCH ORDERS AS MAY BE APPROPRIATE, INCLUDING, WITHOUT LIMITATION, ORDERS DESIGNATING THE TIME AND PLACE OF THE ELECTION, THE RECORD DATE OR DATES FOR DETERMINATION OF STOCKHOLDERS OR MEMBERS ENTITLED TO NOTICE OF THE ELECTION AND TO VOTE THEREAT, AND THE FORM OF NOTICE OF SUCH ELECTION.

THE SHARES OF STOCK OR MEMBERSHIP REPRESENTED AT SUCH

- included provision regarding the guidelines and requirements of reporting of non-holding of election and cessation from office

	<p>MEETING AND ENTITLED TO VOTE THEREAT, EITHER IN PERSON, BY REMOTE COMMUNICATION, IN ABSENTIA, OR BY PROXY, SHALL CONSTITUTE A QUORUM FOR THE PURPOSE OF SUCH MEETING, NOTWITHSTANDING ANY PROVISION OF THE ARTICLES OF INCORPORATION OR BY-LAWS TO THE CONTRARY. THE MEETING SCHEDULED BY THE COMMISSION AND THE ELECTION HELD THEREAT SHALL HAVE THE SAME EFFECT OF A VALID MEETING AND ELECTION OF THE CORPORATION.</p> <p>Should a director, trustee or officer die, resign or in any manner cease to hold office, his heirs in case of his death, the secretary, or any other officer of the corporation, or the director, trustee or officer himself, shall immediately report such fact to the Securities and Exchange Commission IN WRITING WITHIN THREE (3) DAYS FROM CESSATION FROM OFFICE, PROVIDED THAT SUCH NOTICE MAY GIVEN IN THE FORM OF AN ELECTRONIC DOCUMENT, IN ACCORDANCE WITH THE RULES AND REGULATIONS OF THE COMMISSION ON THE USE OF ELECTRONIC DATA MESSAGES.</p> <p>IN ELECTING DIRECTORS OR TRUSTEES TO FILL VACANCIES, THE PROCEDURE SET FORTH IN SECTION 24 AND IN THIS SECTION SHALL APPLY.</p>	
<p>Section 27. Disqualification of directors, trustees or officers. – No person convicted by final judgment of an offense punishable by imprisonment for a period exceeding six (6) years, or a violation of this Code committed within five (5) years prior to the date of his election or appointment, shall qualify as a director, trustee or officer of any corporation.</p>	<p>Section 27. Disqualification of directors, trustees or officers. – THE FOLLOWING PERSONS SHALL BE DISQUALIFIED FROM BEING ELECTED AS DIRECTOR, TRUSTEE OR OFFICER OF ANY CORPORATION:</p> <ol style="list-style-type: none"> 1. No person THOSE WHO HAVE BEEN convicted by final judgment of an offense punishable by imprisonment for a period exceeding six (6) years, or a violation of this Code OR REPUBLIC ACT 8799 committed within five (5) years prior to the date of his election or appointment, shall qualify as a director, trustee or officer of any corporation.; 2. THOSE WHO, BY FINAL JUDGMENT, ARE CONVICTED OF, OR FOUND ADMINISTRATIVELY LIABLE FOR, ANY OFFENSE INVOLVING MORAL TURPITUDE, FRAUD, EMBEZZLEMENT, THEFT, ESTAFA, COUNTERFEITING, MISAPPROPRIATION, FORGERY, BRIBERY, FALSE OATH, PERJURY AND OTHER FRAUDULENT ACTS; 3. THOSE CONVICTED BY FINAL JUDGMENT OF A FOREIGN 	<p>- included additional criteria of disqualification of directors, trustees, or officers</p>

	<p>COURT OR EQUIVALENT REGULATORY AUTHORITY OF ACTS, VIOLATIONS OR MISCONDUCT THE SAME AS OR SIMILAR TO THOSE ENUMERATED IN PARAGRAPHS 1 AND 2 ABOVE; AND</p> <p>4. THOSE WHO HAVE BEEN CONVICTED BY FINAL JUDGMENT OF ANY THREE OF THE OFFENSES AND/OR VIOLATIONS IN PARAGRAPHS 1 TO 3 ABOVE, REGARDLESS OF WHEN THE JUDGMENTS BECAME FINAL.</p> <p>THE MAXIMUM NUMBER OF BOARD REPRESENTATIONS ANY INDEPENDENT DIRECTOR OR TRUSTEE SHALL HAVE IN OTHER CORPORATIONS SHALL BE FIVE (5), OR SUCH LOWER NUMBER AS MAY BE PROVIDED IN THE BY-LAWS OF THE CORPORATION OR AS THE COMMISSION MAY LATER PRESCRIBE.</p> <p>THE FOREGOING IS WITHOUT PREJUDICE TO QUALIFICATIONS OR OTHER DISQUALIFICATIONS WHICH THE COMMISSION MAY IMPOSE IN ITS PROMOTION OF, AMONG OTHERS, GOOD CORPORATE GOVERNANCE.</p>	
<p>Section 28. Removal of directors or trustees. – Any director or trustee of a corporation may be removed from office by a vote of the stockholders holding or representing at least two-thirds (2/3) of the outstanding capital stock, or if the corporation be a non-stock corporation, by a vote of at least two-thirds (2/3) of the members entitled to vote: Provided, That such removal shall take place either at a regular meeting of the corporation or at a special meeting called for the purpose, and in either case, after previous notice to stockholders or members of the corporation of the intention to propose such removal at the meeting. A special meeting of the stockholders or members of a corporation for the purpose of removal of directors or trustees, or any of them, must be called by the secretary on order of the president or on the written demand of the stockholders representing or holding at least a majority of the outstanding capital stock, or, if it be a non-stock corporation, on the written demand of a majority of the members entitled to vote. Should the secretary fail or refuse to call the special meeting upon such demand or fail or refuse to give the notice, or if there is no secretary, the call for the meeting may be addressed directly to the stockholders or members by any stockholder or member of the corporation signing the demand. Notice of the time and place of such meeting, as well as of the intention to propose such removal, must be given by publication or by written notice prescribed in this Code. Removal may be with or without</p>	<p>Section 28. Removal of directors or trustees. – Any director or trustee of a corporation may be removed from office by a vote of the stockholders holding or representing at least two-thirds (2/3) of the outstanding capital stock, or if the corporation be a non-stock corporation, by a vote of at least two-thirds (2/3) of the members entitled to vote: Provided, That such removal shall take place either at a regular meeting of the corporation or at a special meeting called for the purpose, and in either case, after previous notice to stockholders or members of the corporation of the intention to propose such removal at the meeting. A special meeting of the stockholders or members of a corporation for the purpose of removal of directors or trustees, or any of them, must be called by the secretary on order of the president or on the written demand of the stockholders representing or holding at least a majority of the outstanding capital stock, or, if it be a non-stock corporation, on the written demand of a majority of the members entitled to vote. Should the secretary fail or refuse to call the special meeting upon such demand or fail or refuse to give the notice, or if there is no secretary, the call for the meeting may be addressed directly to the stockholders or members by any stockholder or member of the corporation signing the demand. Notice of the time and place of such meeting, as well as of the intention to propose such removal, must be given by publication or by written notice prescribed in this Code. Removal may be with or without</p>	<p>- inclusion of SEC's right to remove directors or trustees</p>

<p>cause: Provided, That removal without cause may not be used to deprive minority stockholders or members of the right of representation to which they may be entitled under Section 24 of this Code.</p>	<p>cause: Provided, That removal without cause may not be used to deprive minority stockholders or members of the right of representation to which they may be entitled under Section 24 of this Code.</p> <p>THE COMMISSION SHALL, MOTU PROPRIO OR UPON VERIFIED COMPLAINT AND AFTER DUE NOTICE AND HEARING, ORDER THE REMOVAL OF ANY DISQUALIFIED DIRECTOR OR TRUSTEE ELECTED DESPITE THE DISQUALIFICATION, OR WHOSE DISQUALIFICATION IS DISCOVERED OR AROSE SUBSEQUENT TO ELECTION. THE REMOVAL OF ANY DISQUALIFIED DIRECTOR SHALL BE WITHOUT PREJUDICE TO OTHER SANCTIONS THE COMMISSION MAY IMPOSE IN ACCORDANCE WITH THIS CODE, UPON SHOWING OF A WILLFUL OR DELIBERATE CONCEALMENT OF THE DISQUALIFICATION.</p>	
<p>Section 29. Vacancies in the office of director or trustee. – Any vacancy occurring in the board of directors or trustees other than by removal by the stockholders or members or by expiration of term, may be filled by the vote of at least a majority of the remaining directors or trustees, if still constituting a quorum; otherwise, said vacancies must be filled by the stockholders in a regular or special meeting called for that purpose. A director or trustee so elected to fill a vacancy shall be elected only or the unexpired term of his predecessor in office.</p> <p>A directorship or trusteeship to be filled by reason of an increase in the number of directors or trustees shall be filled only by an election at a regular or at a special meeting of stockholders or members duly called for the purpose, or in the same meeting authorizing the increase of directors or trustees if so stated in the notice of the meeting.</p>	<p>Section 29. Vacancies in the office of director or trustee. – Any vacancy occurring in the board of directors or trustees other than by removal by the stockholders or members or by expiration of term, may be filled by the vote of at least a majority of the remaining directors or trustees, if still constituting a quorum; otherwise, said vacancies must be filled by the stockholders in a regular or special meeting called for that purpose.</p> <p>WHEN THE VACANCY IS DUE TO EXPIRATION OF TERM, THE ELECTION SHALL BE HELD NO LATER THAN THE DAY OF SUCH EXPIRATION OF TERM AT A MEETING CALLED FOR THAT PURPOSE. WHEN THE VACANCY ARISES AS A RESULT OF REMOVAL BY THE STOCKHOLDERS OR MEMBERS, THE ELECTION MUST BE HELD ON THE SAME DAY OF THE MEETING AUTHORIZING THE REMOVAL AND THIS FACT MUST BE SO STATED IN THE AGENDA AND NOTICE OF SAID MEETING. IN ALL OTHER CASES, THE ELECTION MUST BE HELD NO LATER THAN FORTY-FIVE (45) DAYS FROM WHEN THE VACANCY ARISES. A director or trustee so elected to fill a vacancy shall be elected only or the unexpired term of his predecessor in office.</p> <p>HOWEVER, WHEN THE VACANCY PREVENTS THE REMAINING DIRECTORS FROM CONSTITUTING A QUORUM AND EMERGENCY ACTION IS REQUIRED TO PREVENT GRAVE, SUBSTANTIAL AND IRREPARABLE LOSS OR DAMAGE TO THE CORPORATION, THE VACANCY MAY BE TEMPORARILY FILLED BY UNANIMOUS VOTE OF THE REMAINING DIRECTORS OR TRUSTEES FROM AMONG THE OFFICERS OF THE CORPORATION, PROVIDED THAT ACTION BY THE APPOINTED DIRECTOR OR TRUSTEE SHALL BE LIMITED TO THE</p>	<p>- included more guidance in filling-up vacancies in the office of directors or trustee</p>

	<p>EMERGENCY ACTION NECESSARY TO PREVENT GRAVE, SUBSTANTIAL OR IRREPARABLE LOSS TO THE COMPANY AND HIS TERM SHALL NOT CONTINUE FOR LONGER THAN REASONABLY NECESSARY AFTER THE TERMINATION OF THE EMERGENCY.</p> <p>ANY directorship or trusteeship to be filled by reason of an increase in the number of directors or trustees shall be filled only by an election at a regular or at a special meeting of stockholders or members duly called for the purpose, or in the same meeting authorizing the increase of directors or trustees if so stated in the notice of the meeting.</p> <p>IN ALL ELECTIONS TO FILL VACANCIES UNDER THIS SECTION, THE PROCEDURE SET FORTH IN SECTIONS 24 AND 26 SHALL APPLY.</p>	
<p>Section 30. Compensation of directors. – In the absence of any provision in the by-laws fixing their compensation, the directors shall not receive any compensation, as such directors, except for reasonable per diems: <i>Provided, however,</i> That any such compensation other than per diems may be granted to directors by the vote of the stockholders representing at least a majority of the outstanding capital stock at a regular or special stockholders’ meeting. In no case shall the total yearly compensation of directors, as such directors, exceed ten (10%) percent of the net income before income tax of the corporation during the preceding year.</p>	<p>Section 30. Compensation of directors. – In the absence of any provision in the by-laws fixing THE PARAMETERS OF their compensation, the directors OR TRUSTEES shall not receive any compensation, as such directors OR TRUSTEES, except for reasonable per diems: <i>Provided, however,</i> That any such compensation other than per diems may be granted to directors OR TRUSTEES by the vote of the stockholders representing at least a majority of the outstanding capital stock OR BY MAJORITY OF THE MEMBERS at a regular or special stockholders’ meeting.</p> <p>NO DIRECTOR OR TRUSTEE SHALL PARTICIPATE IN THE DETERMINATION OF HIS OWN PER DIEMS OR COMPENSATION. PER DIEMS OR COMPENSATION GRANTED TO DIRECTORS OR TRUSTEES SHALL LIKEWISE BE APPROVED BY THE VOTE OF THE STOCKHOLDERS REPRESENTING AT LEAST A MAJORITY OF THE OUTSTANDING CAPITAL STOCK OR BY MAJORITY OF THE MEMBERS AT A REGULAR OR SPECIAL MEETING.</p> <p>In no case shall the total yearly compensation of directors OR TRUSTEES, as such directors OR TRUSTEES, exceed ten (10%) percent of the net income before income tax of the corporation during the preceding year.</p> <p>THE CORPORATION SHALL SUBMIT AN ANNUAL REPORT ON THE COMPENSATION OF DIRECTORS OR TRUSTEES AS PRESCRIBED UNDER THIS CODE.</p>	<p>- included provision regarding restriction of directors or trustees to participate in the determination of his own per diems or compensation</p> <p>- included additional reportorial requirement regarding the compensation of directors or trustees</p>
<p>Section 35. Executive committee. – The by-laws of a corporation may create an executive committee, composed of not less than three members of the board, to be appointed by the board. Said committee may act, by</p>	<p>Section 35. Executive committee AND OTHER SPECIAL COMMITTEES. – The by-laws of a corporation may create an executive committee, composed of not less than three members of the board, to be appointed by</p>	<p>- included provision regarding the creation of special committees</p>

<p>majority vote of all its members, on such specific matters within the competence of the board, as may be delegated to it in the by-laws or on a majority vote of the board, except with respect to: (1) approval of any action for which shareholders' approval is also required; (2) the filing of vacancies in the board; (3) the amendment or repeal of by-laws or the adoption of new by-laws; (4) the amendment or repeal of any resolution of the board which by its express terms is not so amendable or repealable; and (5) a distribution of cash dividends to the shareholders.</p>	<p>the board. Said committee may act, by majority vote of all its members, on such specific matters within the competence of the board, as may be delegated to it in the by-laws or on a majority vote of the board, except with respect to: (1) approval of any action for which shareholders' approval is also required; (2) the filing of vacancies in the board; (3) the amendment or repeal of by-laws or the adoption of new by-laws; (4) the amendment or repeal of any resolution of the board which by its express terms is not so amendable or repealable; and (5) a distribution of cash dividends to the shareholders.</p> <p>FOR MERITORIOUS REASONS, THE BOARD MAY, UPON DUE AMENDMENT OF THE BY-LAWS, ORDER THE FORMATION OF OTHER SPECIAL COMMITTEES AND DETERMINE THE MEMBERS' TERM, COMPENSATION, POWERS AND RESPONSIBILITIES.</p> <p>WHEN NECESSARY TO ENSURE GOOD CORPORATE GOVERNANCE AND/OR COMBAT GRAFT AND CORRUPT PRACTICES, OR WHEN THE PARAMOUNT INTEREST OF THE PUBLIC OTHERWISE REQUIRES, THE COMMISSION SHALL HAVE THE POWER TO REQUIRE THE FORMATION OF OTHER COMMITTEES AND DESIGNATE THEIR POWERS AND RESPONSIBILITIES; PROVIDED THAT THE TERM AND COMPENSATION OF SUCH COMMITTEES SHALL BE DETERMINED BY THE BOARD AND THE CORPORATION'S BY-LAWS SHALL BE AMENDED ACCORDINGLY WITHIN THE PERIOD PRESCRIBED BY THE COMMISSION.</p>	
<p>Section 36. Corporate powers and capacity. – Every corporation incorporated under this Code has the power and capacity:</p> <ol style="list-style-type: none"> 1. To sue and be sued in its corporate name; 2. Of succession by its corporate name for the period of time stated in the articles of incorporation and the certificate of incorporation; 3. To adopt and use a corporate seal; 4. To amend its articles of incorporation in accordance with the provisions of this Code; 5. To adopt by-laws, not contrary to law, morals, or public policy, and to amend or repeal the same in accordance with this Code; 	<p>Section 36. Corporate powers and capacity. – Every corporation incorporated under this Code has the power and capacity:</p> <ol style="list-style-type: none"> 1. To sue and be sued in its corporate name; 2. Of PERPETUAL succession by its corporate name for the, UNLESS A LIMITED period of time IS stated in the articles of incorporation and the certificate of incorporation; 3. To adopt and use a corporate seal; 4. To amend its articles of incorporation in accordance with the provisions of this Code; 5. To adopt by-laws, not contrary to law, morals, or public policy, and to 	<p>- incorporated the amendment to the other sections</p>

<p>6. In case of stock corporations, to issue or sell stocks to subscribers and to sell stocks to subscribers and to sell treasury stocks in accordance with the provisions of this Code; and to admit members to the corporation if it be a non-stock corporation;</p> <p>7. To purchase, receive, take or grant, hold, convey, sell, lease, pledge, mortgage and otherwise deal with such real and personal property, including securities and bonds of other corporations, as the transaction of the lawful business of the corporation may reasonably and necessarily require, subject to the limitations prescribed by law and the Constitution;</p> <p>8. To enter into merger or consolidation with other corporations as provided in this Code;</p> <p>9. To make reasonable donations, including those for the public welfare or for hospital, charitable, cultural, scientific, civic, or similar purposes: Provided, That no corporation, domestic or foreign, shall give donations in aid of any political party or candidate or for purposes of partisan political activity;</p> <p>10. To establish pension, retirement, and other plans for the benefit of its directors, trustees, officers and employees; and</p> <p>11. To exercise such other powers as may be essential or necessary to carry out its purpose or purposes as stated in the articles of incorporation.</p>	<p>amend or repeal the same in accordance with this Code;</p> <p>6. In case of stock corporations, to issue or sell stocks to subscribers and to sell stocks to subscribers and to sell treasury stocks in accordance with the provisions of this Code; and to admit members to the corporation if it be a non-stock corporation;</p> <p>7. To purchase, receive, take or grant, hold, convey, sell, lease, pledge, mortgage and otherwise deal with such real and personal property, including securities and bonds of other corporations, as the transaction of the lawful business of the corporation may reasonably and necessarily require, subject to the limitations prescribed by law and the Constitution;</p> <p>8. To enter into merger or consolidation with other corporations as provided in this Code TO ENTER INTO A JOINT VENTURE OR OTHER COMMERCIAL AGREEMENT WITH PERSONS, JURIDICAL OR OTHERWISE, AND MERGE OR CONSOLIDATE WITH OTHER CORPORATIONS;</p> <p>9. To make reasonable donations, including those for the public welfare or for hospital, charitable, cultural, scientific, civic, or similar purposes: Provided, That no corporation, domestic or foreign, shall give donations in aid of any political party or candidate or for purposes of partisan political activity;</p> <p>10. To establish pension, retirement, and other plans for the benefit of its directors, trustees, officers and employees; and</p> <p>11. To exercise such other powers as may be essential or necessary to carry out its purpose or purposes as stated in the articles of incorporation.</p>	
<p>Section 37. Power to extend or shorten corporate term. – A private corporation may extend or shorten its term as stated in the articles of incorporation when approved by a majority vote of the board of directors or trustees and ratified at a meeting by the stockholders representing at least two-thirds (2/3) of the outstanding capital stock or by at least two-thirds (2/3) of the members in case of non-stock corporations. Written notice of the proposed action and of the time and place of the meeting shall be addressed to each stockholder or member at his place of residence as shown on the books of the corporation and deposited to the addressee in</p>	<p>Section 37. Power to extend or shorten corporate term. – A private corporation may extend or shorten its term as stated in the articles of incorporation when approved by a majority vote of the board of directors or trustees and ratified at a meeting by the stockholders representing at least two-thirds (2/3) of the outstanding capital stock or by at least two-thirds (2/3) of the members in case of non-stock corporations. Written notice of the proposed action and of the time and place of the meeting shall be addressed to each stockholder or member at his place of residence as shown on the books of the corporation and deposited to the addressee in</p>	<p>- included requirement regarding the form to be used in the submission of the application to extend or shorten corporate term</p>

<p>the post office with postage prepaid, or served personally: Provided, That in case of extension of corporate term, any dissenting stockholder may exercise his appraisal right under the conditions provided in this code.</p>	<p>the post office with postage prepaid, or served personally-, OR, WHEN ALLOWED IN THE BY-LAWS OR DONE WITH THE CONSENT OF THE CONCERNED STOCKHOLDER, NOTICE UNDER THIS SECTION MAY BE GIVEN IN THE FORM OF AN ELECTRONIC DOCUMENT, IN ACCORDANCE WITH THE RULES AND REGULATIONS OF THE COMMISSION ON THE USE OF ELECTRONIC DATA MESSAGES: Provided, That in case of extension of corporate term, any dissenting stockholder may exercise his appraisal right under the conditions provided in this code.</p>	
<p>Section 38. <i>Power to increase or decrease capital stock; incur, create or increase bonded indebtedness.</i> – No corporation shall increase or decrease its capital stock or incur, create or increase any bonded indebtedness unless approved by a majority vote of the board of directors and, at a stockholder’s meeting duly called for the purpose, two-thirds (2/3) of the outstanding capital stock shall favor the increase or diminution of the capital stock, or the incurring, creating or increasing of any bonded indebtedness. Written notice of the proposed increase or diminution of the capital stock or of the incurring, creating, or increasing of any bonded indebtedness and of the time and place of the stockholder’s meeting at which the proposed increase or diminution of the capital stock or the incurring or increasing of any bonded indebtedness is to be considered, must be addressed to each stockholder at his place of residence as shown on the books of the corporation and deposited to the addressee in the post office with postage prepaid, or served personally.</p> <p>A certificate in duplicate must be signed by a majority of the directors of the corporation and countersigned by the chairman and the secretary of the stockholders’ meeting, setting forth:</p> <p>(1) That the requirements of this section have been complied with; (2) The amount of the increase or diminution of the capital stock;</p> <p>(3) If an increase of the capital stock, the amount of capital stock or number of shares of no-par stock thereof actually subscribed, the names, nationalities and residences of the persons subscribing, the amount of capital stock or number of no-par stock subscribed by each, and the amount paid by each on his subscription in cash or property, or the amount of capital stock or number of shares of no-par stock allotted to each stockholder if such increase is for the purpose of making effective stock dividend therefor authorized;</p>	<p>Section 38. <i>Power to increase or decrease capital stock; incur, create or increase bonded indebtedness.</i> – No corporation shall increase or decrease its capital stock or incur, create or increase any bonded indebtedness unless approved by a majority vote of the board of directors and, at a stockholder’s meeting duly called for the purpose, two-thirds (2/3) of the outstanding capital stock shall favor the increase or diminution of the capital stock, or the incurring, creating or increasing of any bonded indebtedness. Written notice of the proposed increase or diminution of the capital stock or of the incurring, creating, or increasing of any bonded indebtedness and of the time and place of the stockholder’s meeting at which the proposed increase or diminution of the capital stock or the incurring or increasing of any bonded indebtedness is to be considered, must be addressed to each stockholder at his place of residence as shown on the books of the corporation and deposited to the addressee in the post office with postage prepaid, or served personally.</p> <p>A certificate in duplicate must be signed by a majority of the directors of the corporation and countersigned by the chairman and the secretary of the stockholders’ meeting, setting forth:</p> <p>(1) That the requirements of this section have been complied with; (2) The amount of the increase or diminution of the capital stock;</p> <p>(3) If an increase of the capital stock, the amount of capital stock or number of shares of no-par stock thereof actually subscribed, the names, nationalities and residences of the persons subscribing, the amount of capital stock or number of no-par stock subscribed by each, and the amount paid by each on his subscription in cash or property, or the amount of capital stock or number of shares of no-par stock allotted to each stockholder if such increase is for the purpose of making effective stock dividend therefor authorized;</p>	<p>- included provision as to the deadline of filing with the SEC of the application of the increase or decrease of capital stock</p> <p>- included provision as to the deadline of payment of the subscription in case of increase of capital stock</p>

(4) Any bonded indebtedness to be incurred, created or increased;

(5) The actual indebtedness of the corporation on the day of the meeting;

(6) The amount of stock represented at the meeting; and

(7) The vote authorizing the increase or diminution of the capital stock, or the incurring, creating or increasing of any bonded indebtedness.

Any increase or decrease in the capital stock or the incurring, creating or increasing of any bonded indebtedness shall require prior approval of the Securities and Exchange Commission.

One of the duplicate certificates shall be kept on file in the office of the corporation and the other shall be filed with the Securities and Exchange Commission and attached to the original articles of incorporation. From and after approval by the Securities and Exchange Commission and the issuance by the Commission of its certificate of filing, the capital stock shall stand increased or decreased and the incurring, creating or increasing of any bonded indebtedness authorized, as the certificate of filing may declare: Provided, That the Securities and Exchange Commission shall not accept for filing any certificate of increase of capital stock unless accompanied by the sworn statement of the treasurer of the corporation lawfully holding office at the time of the filing of the certificate, showing that at least twenty-five (25%) percent of such increased capital stock has been subscribed and that at least twenty-five (25%) percent of the amount subscribed has been paid either in actual cash to the corporation or that there has been transferred to the corporation property the valuation of which is equal to twenty-five (25%) percent of the subscription: Provided, further, That no decrease of the capital stock shall be approved by the Commission if its effect shall prejudice the rights of corporate creditors.

Non-stock corporations may incur or create bonded indebtedness, or increase the same, with the approval by a majority vote of the board of trustees and of at least two-thirds (2/3) of the members in a meeting duly called for the purpose.

Bonds issued by a corporation shall be registered with the Securities and Exchange Commission, which shall have the authority to determine the

(4) Any bonded indebtedness to be incurred, created or increased;

~~(5) The actual indebtedness of the corporation on the day of the meeting;~~

~~(6)~~ (5) The amount of stock represented at the meeting; and

~~(7)~~ (6) The vote authorizing the increase or diminution of the capital stock, or the incurring, creating or increasing of any bonded indebtedness.

Any increase or decrease in the capital stock or the incurring, creating or increasing of any bonded indebtedness shall require prior approval of the ~~Securities and Exchange~~ Commission. **THE FILING OF THE APPLICATION WITH THE COMMISSION SHALL BE MADE WITHIN THREE (3) MONTHS FROM THE DATE OF APPROVAL BY THE BOARD OF DIRECTORS AND STOCKHOLDERS. PRIOR TO THE COMMISSION'S APPROVAL, THE RECOGNITION OF THE SUBSCRIPTION TO MEET THE REQUIRED PAID-UP CAPITAL SHALL BE IN ACCORDANCE WITH REQUIREMENTS SET BY THE COMMISSION. NON-PAYMENT OF THE ADDITIONAL PAID-UP CAPITAL WITHIN ONE (1) YEAR FROM THE DATE OF THE BOARD OF DIRECTORS AND STOCKHOLDERS' APPROVAL SHALL RENDER THE PROPOSAL ABANDONED AND INEFFECTIVE.**

One of the duplicate certificates shall be kept on file in the office of the corporation and the other shall be filed with the ~~Securities and Exchange~~ Commission and attached to the original articles of incorporation. From and after approval by the ~~Securities and Exchange~~ Commission and the issuance by the Commission of its certificate of filing, the capital stock shall stand increased or decreased and the incurring, creating or increasing of any bonded indebtedness authorized, as the certificate of filing may declare: Provided, That the ~~Securities and Exchange~~ Commission shall not accept for filing any certificate of increase of capital stock unless accompanied by the sworn statement of the treasurer of the corporation lawfully holding office at the time of the filing of the certificate, showing that at least twenty-five (25%) percent of ~~such increased~~ **THE INCREASE IN** capital stock has been subscribed and that at least twenty-five (25%) percent of the amount subscribed has been paid either in actual cash to the corporation or that there has been transferred to the corporation property the valuation of which is equal to twenty-five (25%) percent of the subscription: Provided, further,

<p>sufficiency of the terms thereof.</p>	<p>That no decrease of the capital stock shall be approved by the Commission if its effect shall prejudice the rights of corporate creditors.</p> <p>Non-stock corporations may incur or create bonded indebtedness, or increase the same, with the approval by a majority vote of the board of trustees and of at least two-thirds (2/3) of the members in a meeting duly called for the purpose.</p> <p>Bonds issued by a corporation shall be registered with the Securities and Exchange Commission, which shall have the authority to determine the sufficiency of the terms thereof.</p>	
<p>Section 40. Sale or other disposition of assets. – Subject to the provisions of existing laws on illegal combinations and monopolies, a corporation may, by a majority vote of its board of directors or trustees, sell, lease, exchange, mortgage, pledge or otherwise dispose of all or substantially all of its property and assets, including its goodwill, upon such terms and conditions and for such consideration, which may be money, stocks, bonds or other instruments for the payment of money or other property or consideration, as its board of directors or trustees may deem expedient, when authorized by the vote of the stockholders representing at least two-thirds (2/3) of the outstanding capital stock, or in case of non-stock corporation, by the vote of at least to two-thirds (2/3) of the members, in a stockholder’s or member’s meeting duly called for the purpose. Written notice of the proposed action and of the time and place of the meeting shall be addressed to each stockholder or member at his place of residence as shown on the books of the corporation and deposited to the addressee in the post office with postage prepaid, or served personally: Provided, That any dissenting stockholder may exercise his appraisal right under the conditions provided in this Code.</p> <p>A sale or other disposition shall be deemed to cover substantially all the corporate property and assets if thereby the corporation would be rendered incapable of continuing the business or accomplishing the purpose for which it was incorporated.</p> <p>After such authorization or approval by the stockholders or members, the board of directors or trustees may, nevertheless, in its discretion, abandon such sale, lease, exchange, mortgage, pledge or other disposition of property and assets, subject to the rights of third parties under any contract</p>	<p>Section 40. Sale or other disposition of assets. – Subject to the provisions of existing laws on illegal combinations and monopolies AND SUBJECT FURTHER, TO SEC. 81 OF THIS CODE ON DE FACTO MERGERS, a corporation may, by a majority vote of its board of directors or trustees, sell, lease, exchange, mortgage, pledge or otherwise dispose of all or substantially all of its property and assets, including its goodwill, upon such terms and conditions and for such consideration, which may be money, stocks, bonds or other instruments for the payment of money or other property or consideration, as its board of directors or trustees may deem expedient.</p> <p>WHEN THE SALE IS OF ALL OR SUBSTANTIALLY ALL OF THE CORPORATION’S PROPERTY AND ASSETS, IT MUST BE when authorized by the vote of the stockholders representing at least two-thirds (2/3) of the outstanding capital stock, or in case of non-stock corporation, by the vote of at least to two-thirds (2/3) of the members, in a stockholder’s or member’s meeting duly called for the purpose.; WHEN THE SALE IS OF LESS THAN ALL OR SUBSTANTIALLY ALL OF THE CORPORATION’S PROPERTY AND ASSETS, A MAJORITY VOTE SHALL BE REQUIRED. IN NON-STOCK CORPORATIONS WHERE THERE ARE NO MEMBERS WITH VOTING RIGHTS, THE VOTE OF ATLEAST A MAJORITY OF THE TRUSTEES IN THE OFFICE WILL BE SUFFICIENT AUTHORIZATIN FOR THE CORPORATION TO ENTER INTO ANY TRANSACTION AUTHORIZED BY THIS SECTION.</p> <p>Written notice of the proposed action and of the time and place of the meeting shall be addressed to each stockholder or member at his place of residence as shown on the books of the corporation and deposited to the</p>	<p>- included additional guidelines on the sale or other disposition of assets</p>

<p>relating thereto, without further action or approval by the stockholders or members.</p> <p>Nothing in this section is intended to restrict the power of any corporation, without the authorization by the stockholders or members, to sell, lease, exchange, mortgage, pledge or otherwise dispose of any of its property and assets if the same is necessary in the usual and regular course of business of said corporation or if the proceeds of the sale or other disposition of such property and assets be appropriated for the conduct of its remaining business.</p> <p>In non-stock corporations where there are no members with voting rights, the vote of at least a majority of the trustees in office will be sufficient authorization for the corporation to enter into any transaction authorized by this section.</p>	<p>addressee in the post office with postage prepaid, or served personally: Provided, That any dissenting stockholder may exercise his appraisal right under the conditions provided in this Code.</p> <p>A sale or other disposition shall be deemed to cover substantially all the corporate property and assets if thereby the corporation would be rendered incapable of continuing the business or accomplishing the purpose for which it was incorporated.</p> <p>After such authorization or approval by the stockholders or members, the board of directors or trustees may, nevertheless, in its discretion, abandon such sale, lease, exchange, mortgage, pledge or other disposition of property and assets, subject to the rights of third parties under any contract relating thereto, without further action or approval by the stockholders or members.</p> <p>Nothing in this section is intended to restrict the power of any corporation, without the authorization by the stockholders or members, to sell, lease, exchange, mortgage, pledge or otherwise dispose of any of its property and assets if the same is necessary in the usual and regular course of business of said corporation or if the proceeds of the sale or other disposition of such property and assets be appropriated for the conduct of its remaining business.</p> <p>In non-stock corporations where there are no members with voting rights, the vote of at least a majority of the trustees in office will be sufficient authorization for the corporation to enter into any transaction authorized by this section.</p>	
<p>Section 43. Power to declare dividends. - The board of directors of a stock corporation may declare dividends out of the unrestricted retained earnings which shall be payable in cash, in property, or in stock to all stockholders on the basis of outstanding stock held by them: Provided, That any cash dividends due on delinquent stock shall first be applied to the unpaid balance on the subscription plus costs and expenses, while stock dividends shall be withheld from the delinquent stockholder until his unpaid subscription is fully paid: Provided, further, That no stock dividend shall be issued without the approval of stockholders representing not less than two-thirds (2/3) of the outstanding capital stock at a regular or special meeting duly called for the purpose. (16a)</p>	<p>Section 43. Power to declare dividends. - The board of directors of a stock corporation may declare dividends out of the unrestricted retained earnings which SHALL BE DETERMINED IN ACCORDANCE WITH THE GUIDELINES SET BY THE COMMISSION ON UNREALIZED EARNINGS AND LOSSES. SUCH DIVIDEND shall be payable in cash, in property, or in stock to all stockholders on the basis of outstanding stock held by them: Provided, That any cash dividends due on delinquent stock shall first be applied to the unpaid balance on the subscription plus costs and expenses, while stock dividends shall be withheld from the delinquent stockholder until his unpaid subscription is fully paid: Provided, further, That no stock dividend shall be issued without the approval of stockholders representing not less than two-thirds (2/3) of the outstanding capital stock at a regular or</p>	<p>- included a provision as to the determination of the amount of dividends available for distribution, which refers to the guidelines set by the SEC</p>

<p>Stock corporations are prohibited from retaining surplus profits in excess of one hundred (100%) percent of their paid-in capital stock, except: (1) when justified by definite corporate expansion projects or programs approved by the board of directors; or (2) when the corporation is 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 (3) when it can be clearly shown that such retention is necessary under special circumstances obtaining in the corporation, such as when there is need for special reserve for probable contingencies.</p>	<p>special meeting duly called for the purpose. (16a)</p> <p>Stock corporations are prohibited from retaining surplus profits in excess of one hundred (100%) percent of their paid-in capital stock, except: (1) when justified by definite corporate expansion projects or programs approved by the board of directors; or (2) when the corporation is 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 (3) when it can be clearly shown that such retention is necessary under special circumstances obtaining in the corporation, such as when there is need for special reserve for probable contingencies.</p>	
<p>Section 46. Adoption of by-laws. – Every corporation formed under this Code must, within one (1) month after receipt of official notice of the issuance of its certificate of incorporation by the Securities and Exchange Commission, adopt a code of by-laws for its government not inconsistent with this Code. For the adoption of by-laws by the corporation the affirmative vote of the stockholders representing at least a majority of the outstanding capital stock, or of at least a majority of the members in case of non-stock corporations, shall be necessary. The by-laws shall be signed by the stockholders or members voting for them and shall be kept in the principal office of the corporation, subject to the inspection of the stockholders or members during office hours. A copy thereof, duly certified to by a majority of the directors or trustees countersigned by the secretary of the corporation, shall be filed with the Securities and Exchange Commission which shall be attached to the original articles of incorporation.</p> <p>Notwithstanding the provisions of the preceding paragraph, by-laws may be adopted and filed prior to incorporation; in such case, such by-laws shall be approved and signed by all the incorporators and submitted to the Securities and Exchange Commission, together with the articles of incorporation.</p> <p>In all cases, by-laws shall be effective only upon the issuance by the Securities and Exchange Commission of a certification that the by-laws are not inconsistent with this Code.</p> <p>The Securities and Exchange Commission shall not accept for filing the by-laws or any amendment thereto of any bank, banking institution, building and loan association, trust company, insurance company, public utility, educational institution or other special corporations governed by special</p>	<p>Section 46. Adoption of by-laws. – Every corporation formed under this Code must, within one (1) month after receipt of official notice of the issuance of its certificate of incorporation by the Securities and Exchange Commission, adopt a code of by-laws for its government not inconsistent with this Code. For the adoption of by-laws by the corporation the affirmative vote of the stockholders representing at least a majority of the outstanding capital stock, or of at least a majority of the members in case of non-stock corporations, shall be necessary. The by-laws shall be signed by the stockholders or members voting for them and shall be kept in the principal office of the corporation, subject to the inspection of the stockholders or members during office hours. A copy thereof, duly certified to by a majority of the directors or trustees countersigned by the secretary of the corporation, shall be filed with the Securities and Exchange Commission which shall be attached to the original articles of incorporation.</p> <p>Notwithstanding the provisions of the preceding paragraph, by-laws may be adopted and filed prior to incorporation; in such case, such by-laws shall be approved and signed by all the incorporators and submitted to the Securities and Exchange Commission, together with the articles of incorporation.</p> <p>BY-LAWS OR AMENDMENTS THERETO MAY BE FILED IN THE FORM OF AN ELECTRONIC DOCUMENT, IN ACCORDANCE WITH THE RULES AND REGULATIONS OF THE COMMISSION ON THE USE OF ELECTRONIC DATA MESSAGES.</p> <p>In all cases, by-laws shall be effective only upon the issuance by the Securities and Exchange Commission of a certification that the by-laws are not inconsistent with this Code.</p>	<p>- included requirement as to the form of filing of by-laws and amendments thereto</p>

<p>laws, unless accompanied by a certificate of the appropriate government agency to the effect that such by-laws or amendments are in accordance with law.</p>	<p>The Securities and Exchange Commission shall not accept for filing the by-laws or any amendment thereto of any bank, banking institution, building and loan association, trust company, insurance company, public utility, educational institution or other special corporations governed by special laws, unless accompanied by a certificate of the appropriate government agency to the effect that such by-laws or amendments are in accordance with law.</p>	
<p>Section 47. Contents of by-laws. – Subject to the provisions of the Constitution, this Code, other special laws, and the articles of incorporation, a private corporation may provide in its by-laws for:</p> <ol style="list-style-type: none"> 1. The time, place and manner of calling and conducting regular or special meetings of the directors or trustees; 2. The time and manner of calling and conducting regular or special meetings of the stockholders or members; 3. The required quorum in meetings of stockholders or members and the manner of voting therein; 4. The form for proxies of stockholders and members and the manner of voting them; 5. The qualifications, duties and compensation of directors or trustees, officers and employees; 6. The time for holding the annual election of directors of trustees and the mode or manner of giving notice thereof; 7. The manner of election or appointment and the term of office of all officers other than directors or trustees; 8. The penalties for violation of the by-laws; 9. In the case of stock corporations, the manner of issuing stock certificates; and 10. Such other matters as may be necessary for the proper or convenient 	<p>Section 47. Contents of by-laws. – Subject to the provisions of the Constitution, this Code, other special laws, and the articles of incorporation, a private corporation may SHALL provide in its by-laws for:</p> <ol style="list-style-type: none"> 1. The time, place and manner of calling and conducting regular or special meetings of the directors or trustees; 2. The time and manner of calling and conducting regular or special meetings of the stockholders or members, PROVIDED THAT THE BY-LAWS SHALL CONTAIN NO PROVISION SUPPRESSING OR OTHERWISE LIMITING IN ANY MANNER THE RIGHT OF ANY MEMBER OR STOCKHOLDER TO PROPOSE THE HOLDING OF MEETINGS AND THE ITEMS FOR DISCUSSION IN THE AGENDA; 3. The required quorum in meetings of stockholders or members and the manner of voting therein; 4. The form for proxies of stockholders and members and the manner of voting them; 5. The qualifications, duties AND RESPONSIBILITIES, and THE PARAMETERS OR GUIDELINES TO CONSIDER IN SETTING THE compensation of directors or trustees AND officers and employees, AS WELL AS THE MAXIMUM NUMBER OF OTHER BOARD REPRESENTATIONS AN INDEPENDENT DIRECTOR OR TRUSTEE MAY HAVE WHICH SHALL, IN NO CASE, BE MORE THAN FIVE (5) OR SUCH OTHER NUMBER THE COMMISSION MAY LATER PRESCRIBE; 6. The time for holding the annual election of directors of trustees and the mode or manner of giving notice thereof; 	<p>- included additional contents of by-laws</p>

<p>transaction of its corporate business and affairs.</p>	<p>7. The manner of election or appointment and the term of office of all officers other than directors or trustees;</p> <p>8. The penalties for violation of the by-laws;</p> <p>9. In the case of stock corporations, the manner of issuing stock certificates; and</p> <p>10. THE TIME AND MANNER BY WHICH ACCURATE AND TIMELY INFORMATION SHALL BE GIVEN TO STOCKHOLDERS OR MEMBERS ON MATTERS AFFECTING THE CORPORATION, WHICH MAY INCLUDE BUT SHALL NOT BE LIMITED TO THE PUBLICATION OF SUCH INFORMATION ON THE CORPORATION'S WEBSITE;</p> <p>11. A CODE OF ETHICS OR STANDARDS OF CONDUCT FOR THE CORRECT, HONORABLE AND PROPER PERFORMANCE OF A CORPORATION'S BUSINESS AND ITS DEALINGS, DIRECT OR INDIRECT, WITH THE GOVERNMENT AND ITS AGENCIES, AS WELL AS MECHANISMS TO ENFORCE SUCH CODE OF ETHICS OR STANDARDS OF CONDUCT, WHICH SHALL CONTAIN THE MINIMUM REQUIREMENTS THE COMMISSION MAY PROVIDE;</p> <p>12. INTERNAL PROCEDURES TO PROVIDE AVENUES OF COMMUNICATION BY, TO PROTECT THE IDENTITY AND SECURITY OF TENURE/COMPENSATION OF, AND TO PROVIDE PROTECTION FROM RETALIATION BEFORE AND AFTER EMPLOYMENT OF: (A) THOSE WHO REPORT VIOLATIONS OF THE CORPORATION'S CODE OF ETHICS OR STANDARDS OF CONDUCT, GRAFT AND CORRUPT PRACTICES, IMPROPRIETIES IN MATTERS OF FINANCIAL REPORTING, OR OTHER UNLAWFUL OR ILLEGAL CONDUCT COMMITTED BY THE CORPORATION OR ANY OF ITS DIRECTORS, TRUSTEES, OFFICERS, EMPLOYEES OR AGENTS; (B) THOSE WHO REPORT INSTRUCTIONS OR PRESSURE FROM HIERARCHICAL SUPERIORS TO COMMIT ANY OF THE ACTS IN (A); AND/OR (C) THOSE WHO RAISE CONCERNS ABOUT THREATS OF OR POSSIBLE ACTS CONSTITUTING ANY OF THE ACTS IN (A) ABOVE;</p> <p>13. A SYSTEM, INCLUDING THE APPOINTMENT OF A COMPLIANCE OFFICER, THAT WILL MONITOR COMPLIANCE WITH THE RULES AND REGULATIONS ON GOOD CORPORATE GOVERNANCE; AND</p>	
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	<p>14. Such other matters as may be necessary for the proper or convenient transaction of its corporate business and affairs OR AS MAY BE DEEMED NECESSARY BY THE COMMISSION FOR THE PROMOTION OF GOOD GOVERNANCE AND/OR ITS POLICY AGAINST GRAFT AND CORRUPTION.</p> <p>THE COMMISSION SHALL FORMULATE AND MAKE AVAILABLE SAMPLE BY-LAWS WITH THE FOREGOING REQUIREMENTS.</p>	
<p>Section 48. Amendments to by-laws. – The board of directors or trustees, by a majority vote thereof, and the owners of at least a majority of the outstanding capital stock, or at least a majority of the members of a non-stock corporation, at a regular or special meeting duly called for the purpose, may amend or repeal any by-laws or adopt new by-laws. The owners of two-thirds (2/3) of the outstanding capital stock or two-thirds (2/3) of the members in a non-stock corporation may delegate to the board of directors or trustees the power to amend or repeal any by-laws or adopt new by-laws: Provided, That any power delegated to the board of directors or trustees to amend or repeal any by-laws or adopt new by-laws shall be considered as revoked whenever stockholders owning or representing a majority of the outstanding capital stock or a majority of the members in non-stock corporations, shall so vote at a regular or special meeting.</p> <p>Whenever any amendment or new by-laws are adopted, such amendment or new by-laws shall be attached to the original by-laws in the office of the corporation, and a copy thereof, duly certified under oath by the corporate secretary and a majority of the directors or trustees, shall be filed with the Securities and Exchange Commission the same to be attached to the original articles of incorporation and original by-laws.</p> <p>The amended or new by-laws shall only be effective upon the issuance by the Securities and Exchange Commission of a certification that the same are not inconsistent with this Code.</p>	<p>Section 48. Amendments to by-laws. – The board of directors or trustees, by a majority vote thereof, and the owners of at least a majority TWO-THIRDS (2/3) of the outstanding capital stock, or at least a majority TWO-THIRDS (2/3) of the members of a non-stock corporation, at a regular or special meeting duly called for the purpose, may amend or repeal any by-laws or adopt new by-laws. The owners of two-thirds (2/3) of the outstanding capital stock or two-thirds (2/3) of the members in a non-stock corporation may delegate to the board of directors or trustees the power to amend or repeal any by-laws or adopt new by-laws: Provided, That any power delegated to the board of directors or trustees to amend or repeal any by-laws or adopt new by-laws shall be considered as revoked whenever stockholders owning or representing a majority of the outstanding capital stock or a majority of the members in non-stock corporations, shall so vote at a regular or special meeting.</p> <p>Whenever any amendment or new by-laws are adopted, such amendment or new by-laws shall be attached to the original by-laws in the office of the corporation, and a copy thereof, duly certified under oath by the corporate secretary and a majority of the directors or trustees, INCLUDING THE STOCKHOLDERS' OR MEMBERS' RESOLUTION ON THE DELEGATION OF THE POWER TO AMEND OR ADOPT NEW BY-LAWS OR ON THE REVOCATION OF SUCH DELEGATION, IF ANY, shall be filed with the Securities and Exchange Commission the same to be attached to the original articles of incorporation and original by-laws.</p> <p>The amended or new by-laws shall only be effective upon the issuance by the Securities and Exchange Commission of a certification that the same are not inconsistent with this Code.</p>	<p>- revised the requirement of the number of votes in amending the by-laws from majority vote to 2/3 of the outstanding capital stock</p> <p>- included additional requirement in the application of the amendments to by-laws</p>
<p>Section 50. Regular and special meetings of stockholders or members. - Regular meetings of stockholders or members shall be held annually on a date fixed in the by-laws, or if not so fixed, on any date in April of every year</p>	<p>Section 50. Regular and special meetings of stockholders or members. - Regular meetings of stockholders or members shall be held annually on a date fixed in the by-laws, or if not so fixed, on any date in April of every year</p>	<p>- revised the notice period of the regular and special meeting of stockholders or members from 2 weeks to 3 weeks prior to</p>

as determined by the board of directors or trustees: Provided, That written notice of regular meetings shall be sent to all stockholders or members of record at least two (2) weeks prior to the meeting, unless a different period is required by the by-laws.

Special meetings of stockholders or members shall be held at any time deemed necessary or as provided in the by-laws: Provided, however, That at least one (1) week written notice shall be sent to all stockholders or members, unless otherwise provided in the by-laws.

Notice of any meeting may be waived, expressly or impliedly, by any stockholder or member.

Whenever, for any cause, there is no person authorized to call a meeting, the Securities and Exchange Commission, upon petition of a stockholder or member on a showing of good cause therefor, may issue an order to the petitioning stockholder or member directing him to call a meeting of the corporation by giving proper notice required by this Code or by the by-laws. The petitioning stockholder or member shall preside thereat until at least a majority of the stockholders or members present have chosen one of their number as presiding officer.

as determined by the board of directors or trustees: Provided, That written notice of regular meetings shall be sent to all stockholders or members of record at least ~~two (2)~~ **THREE (3)** weeks prior to the meeting, unless a ~~different~~ **LONGER** period is required by the by-laws **OR BY ANY RELEVANT LAW OR REGULATION, AND IN SUCH A MANNER AS TO BE RECEIVED AT LEAST FIVE DAYS BEFORE THE SCHEDULED MEETING.**

AT EACH REGULAR MEETING OF STOCKHOLDERS OR MEMBERS, THE BOARD OF DIRECTORS OR TRUSTEES SHALL, AMONG OTHERS, PRESENT TO SUCH STOCKHOLDERS OR MEMBERS THE FOLLOWING:

a. THE MINUTES OF THE MOST RECENT REGULAR MEETING WHICH SHALL INCLUDE, AMONG OTHERS:

(i) A DESCRIPTION OF THE VOTING AND VOTE TABULATION PROCEDURES USED AND TO BE USED IN THE CURRENT MEETING,

(ii) THE OPPORTUNITY GIVEN TO STOCKHOLDERS OR MEMBERS TO ASK QUESTIONS, AS WELL AS A RECORD OF THE QUESTIONS THEY ASKED AND THE ANSWERS RECEIVED,

(iii) THE MATTERS DISCUSSED AND RESOLUTIONS REACHED,

(iv) A RECORD OF THE VOTING RESULTS FOR 1 EACH AGENDA ITEM, AND

(v) A LIST OF THE DIRECTORS OR TRUSTEES, OFFICERS AND STOCKHOLDERS OR MEMBERS WHO 13 ATTENDED THE MEETING;

b. A MEMBERS' LIST FOR NON-STOCK CORPORATIONS AND, FOR STOCK CORPORATIONS, MATERIAL INFORMATION ON THE CURRENT STOCK OWNERSHIP STRUCTURE AND VOTING RIGHTS, INCLUDING GROUP STRUCTURES, INTRA-GROUP RELATIONS, OWNERSHIP DATA, AND BENEFICIAL OWNERSHIP WITH SPECIFIC DISCLOSURES ON THE DIRECT AND INDIRECT STOCKHOLDINGS OF

the meeting

- included provision as to the documents that need to be presented during the regular meeting of stockholders or members

DIRECTORS AND OFFICERS;

c. A DETAILED, DESCRIPTIVE, BALANCED AND COMPREHENSIBLE ASSESSMENT OF THE CORPORATION'S PERFORMANCE WHICH SHALL INCLUDE INFORMATION ON THE CHANGES IN THE CORPORATION OR ITS BUSINESS AND ITS STRATEGY;

d. A FINANCIAL REPORT OF THE OPERATIONS OF THE CORPORATION FOR THE PRECEDING YEAR, WHICH SHALL INCLUDE FINANCIAL STATEMENTS DULY SIGNED AND CERTIFIED IN ACCORDANCE WITH THIS CODE AND THE RULES THE COMMISSION MAY PRESCRIBE, A STATEMENT ON THE ADEQUACY OF THE CORPORATION'S INTERNAL CONTROLS OR RISK MANAGEMENT SYSTEMS, AND A STATEMENT OF ALL EXTERNAL AUDIT AND NON-AUDIT FEES;

e. AN EXPLANATION OF THE DIVIDEND POLICY AND THE FACT OF PAYMENT OF DIVIDENDS OR THE REASONS FOR NON-PAYMENT THEREOF;

f. DIRECTOR OR TRUSTEE PROFILES WHICH SHALL INCLUDE, AMONG OTHERS, THEIR QUALIFICATIONS AND RELEVANT EXPERIENCE, LENGTH OF SERVICE IN THE CORPORATION, THE TRAININGS AND CONTINUING EDUCATION THEY ATTENDED, AND THE NUMBER OF THEIR BOARD REPRESENTATIONS IN OTHER CORPORATIONS;

g. A DIRECTOR OR TRUSTEE ATTENDANCE REPORT, INDICATING THE ATTENDANCE OF EACH DIRECTOR OR TRUSTEE AT EACH OF THE MEETINGS OF THE BOARD AND ITS COMMITTEES AND IN REGULAR OR SPECIAL STOCKHOLDER MEETINGS;

h. A BOARD APPRAISAL OR PERFORMANCE REPORT AND THE STANDARDS OR CRITERIA AND PROCEDURE USED TO ASSESS THE

BOARD;

i. A DIRECTOR OR TRUSTEE APPRAISAL OR PERFORMANCE REPORT AND THE STANDARDS OR CRITERIA AND PROCEDURE USED TO ASSESS EACH DIRECTOR OR TRUSTEE;

j. A DIRECTOR OR TRUSTEE COMPENSATION REPORT PREPARED IN ACCORDANCE WITH THIS CODE AND THE RULES THE COMMISSION MAY PRESCRIBE;

k. DIRECTOR DISCLOSURES ON SELF-DEALINGS AND RELATED PARTY TRANSACTIONS;

l. THE PROFILES OF DIRECTORS NOMINATED OR SEEKING ELECTION OR RE-ELECTION;

m. THE COMPENSATION/BENEFITS OF EMPLOYEES WHO ARE IMMEDIATE FAMILY MEMBERS OF A DIRECTOR OR TRUSTEE OR ANY OFFICER OF THE CORPORATION OR WHOSE EMPLOYMENT WAS MADE WITH THEIR ENDORSEMENT; AND

n. DETAILS OF THE ORIENTATION PROGRAM FOR NEW DIRECTORS.

ANY DIRECTOR, TRUSTEE, STOCKHOLDER OR MEMBER MAY PROPOSE ANY OTHER MATTER FOR DISCUSSION OR INCLUSION IN THE AGENDA AT ANY REGULAR MEETING OF STOCKHOLDERS OR MEMBERS.

SUBJECT TO THE RIGHT OF ANY MEMBER OR STOCKHOLDER TO PROPOSE THE HOLDING OF SPECIAL MEETINGS AND THE ITEMS FOR DISCUSSION IN THE AGENDA THEREOF, special meetings of stockholders or members shall be held at any time deemed necessary or as provided in the by-laws: Provided, however, That at least ~~one (1) week~~ written notice shall be sent to all stockholders or members **AT LEAST THREE (3) WEEKS PRIOR TO THE MEETING, unless otherwise **A LONGER PERIOD IS** provided in the by-laws **OR BY ANY RELEVANT****

	<p>LAW OR REGULATION, AND IN SUCH A MANNER AS TO BE RECEIVED AT LEAST FIVE DAYS BEFORE THE SCHEDULED MEETING.</p> <p>Notice of any meeting may be waived, expressly or impliedly, by any stockholder or member-; PROVIDED THAT GENERAL WAIVERS OF NOTICE IN THE ARTICLES OF INCORPORATION OR THE BY-LAWS SHALL NOT BE ALLOWED; PROVIDED, FURTHER, THAT ATTENDANCE AT A MEETING SHALL CONSTITUTE A WAIVER OF NOTICE OF SUCH MEETING, EXCEPT WHEN THE PERSON ATTENDS A MEETING FOR THE EXPRESS PURPOSE OF OBJECTING AT THE BEGINNING OF THE MEETING, TO THE TRANSACTION OF ANY BUSINESS BECAUSE THE MEETING IS NOT LAWFULLY CALLED OR CONVENED.</p> <p>Whenever, for any cause, there is no person authorized to call a meeting, the Securities and Exchange Commission, upon petition of a stockholder or member on a showing of good cause therefor, may issue an order to the petitioning stockholder or member directing him to call a meeting of the corporation by giving proper notice required by this Code or by the by-laws. The petitioning stockholder or member shall preside thereat until at least a majority of the stockholders or members present have chosen one of their number as presiding officer.</p> <p>UNLESS THE BY-LAWS PROVIDE FOR A LONGER PERIOD, THE STOCK AND TRANSFER BOOK/MEMBERSHIP BOOK SHALL BE CLOSED AT LEAST TWENTY (20) DAYS BEFORE THE SCHEDULED DATE OF THE MEETING.</p> <p>IN CASE OF POSTPONEMENT OF STOCKHOLDERS' OR MEMBERS' MEETINGS, WRITTEN NOTICE THEREOF AND THE REASON THEREFOR SHALL BE SENT TO ALL STOCKHOLDERS OR MEMBERS OF RECORD AT LEAST TWO (2) WEEKS PRIOR TO THE DATE OF THE MEETING, UNLESS A DIFFERENT PERIOD IS REQUIRED BY THE BY-LAWS OR BY ANY RELEVANT LAW OR REGULATION, AND IN SUCH A MANNER AS TO BE RECEIVED AT LEAST FIVE DAYS BEFORE THE DATE OF THE MEETING.</p>	
<p>Section 51. <i>Place and time of meetings of stockholders of members.</i> – Stockholder’s or member’s meetings, whether regular or special, shall be held in the city or municipality where the principal office of the corporation is</p>	<p>Section 51. <i>Place and time of meetings of stockholders of members.</i> – Stockholder’s or member’s meetings, whether regular or special, shall be held in the PRINCIPAL OFFICE OF THE CORPORATION AS SET FORTH</p>	<p>- included provision as to the specific place where the meeting of stockholders or members be made</p>

located, and if practicable in the principal office of the corporation: Provided, That Metro Manila shall, for purposes of this section, be considered a city or municipality.

Notice of meetings shall be in writing, and the time and place thereof stated therein.

All proceedings had and any business transacted at any meeting of the stockholders or members, if within the powers or authority of the corporation, shall be valid even if the meeting be improperly held or called, provided all the stockholders or members of the corporation are present or duly represented at the meeting.

IN THE ARTICLES OF INCORPORATION, OR, IF NOT PRACTICABLE, IN THE city or municipality where the principal office of the corporation is located, ~~and if practicable in the principal office of the corporation:~~ Provided, That Metro Manila shall, for purposes of this section, be considered a city or municipality.

WHEN ALLOWED BY THE BY-LAWS OR BY A MAJORITY OF THE BOARD OF DIRECTORS OR TRUSTEES, ATTENDANCE AT REGULAR OR SPECIAL MEETINGS MAY BE BY REMOTE COMMUNICATION AND VOTING MAY BE MADE IN ABSENTIA. WHEN ATTENDANCE BY REMOTE COMMUNICATION IS ALLOWED, THE CORPORATION SHALL PROVIDE THE STOCKHOLDER OR MEMBER, OR PROXY-HOLDER, A REASONABLE OPPORTUNITY TO PARTICIPATE IN THE MEETING, TO HEAR OR SEE THE PROCEEDINGS AS WELL AS BE HEARD OR SEEN BY OTHER STOCKHOLDERS OR MEMBERS, AND TO CAST THEIR VOTE SUBSTANTIALLY CONCURRENTLY WITH SUCH PROCEEDINGS. WHEN VOTING IN ABSENTIA, IS ALLOWED, THE CORPORATION SHALL INSTITUTE REASONABLE MEASURES TO TIMELY PROVIDE THE STOCKHOLDER OR MEMBER WITH INFORMATION ON THE MATTERS TO BE TAKEN UP AT THE MEETING AND GIVE THEM A REASONABLE OPPORTUNITY TO ASK QUESTIONS BEFORE CASTING THEIR VOTES. THE COMMISSION SHALL PRESCRIBE THE MINIMUM STANDARDS OR GUIDELINES TO MAKE ATTENDANCE BY REMOTE COMMUNICATION AND VOTING IN ABSENTIA EFFICIENT AND ACCESSIBLE FORA FOR STOCKHOLDERS OR MEMBERS.

Notice of meetings shall be in writing, and the time and place thereof stated therein. **EACH NOTICE OF MEETING SHALL FURTHER STATE OR 5 BE ACCOMPANIED BY THE FOLLOWING:**

(A) THE AGENDA FOR THE MEETING;

(B) A PROXY FORM;

(C) WHEN ATTENDANCE IS ALLOWED BY REMOTE COMMUNICATION, THE FACT THEREOF AND THE REQUIREMENTS AND PROCEDURES TO BE FOLLOWED WHEN A STOCKHOLDER OR

- included provision allowing attendance through remote communication subject to the provision of by-laws

- included provision as to what documents need to be accompanied on the notice of meeting

MEMBER ELECTS SUCH OPTION;

(D) WHEN VOTING IS ALLOWED IN ABSENTIA, THE FACT THEREOF AND THE REQUIREMENTS AND PROCEDURES TO BE FOLLOWED WHEN A STOCKHOLDER OR MEMBER ELECTS SUCH OPTION;

(E) WHEN THE MEETING IS FOR THE ELECTION OF DIRECTORS OR TRUSTEES, THE REQUIREMENTS AND PROCEDURE FOR NOMINATING AND THE CURRICULUM VITAE OR OTHER RELEVANT INFORMATION OF THOSE ALREADY NOMINATED INCLUDING, BUT NOT LIMITED TO, SUCH NOMINEES' OTHER EXECUTIVE FUNCTIONS OR MEMBERSHIP IN OTHER BOARDS;

(F) OTHER EXPLANATORY MATERIALS OR A STATEMENT THAT SUCH EXPLANATORY MATERIALS ARE AVAILABLE FOR INSPECTION DURING OFFICE HOURS AT THE CORPORATION'S PRINCIPAL OFFICE AND/OR ONLINE AT THE CORPORATION'S WEBSITE, OR THAT SOFT COPIES THEREOF MAY BE SENT TO A STOCKHOLDER OR MEMBER UPON HIS REQUEST; AND

(G) THE PROCEDURE FOR MAKING INQUIRIES OR SOLICITING ADDITIONAL INFORMATION ABOUT THE AGENDA ITEMS BEFORE THE MEETING.

WHEN ALLOWED BY THE BY-LAWS OF THE CORPORATION, NOTICES OF MEETING MAY BE SENT ELECTRONICALLY, PROVIDED THAT THE SAME IS DONE IN ACCORDANCE WITH THE RULES OF THE COMMISSION AND, PROVIDED FURTHER, THAT ANY STOCKHOLDER OR MEMBER MAY, AT ANY TIME, OPT OUT OF RECEIVING NOTICE BY ELECTRONIC COMMUNICATION AND REQUEST THAT WRITTEN NOTICE BE SENT IN A TRADITIONAL MANNER, I.E. BY PERSONAL SERVICE, BY POST OR BY COURIER.

All proceedings had and any business transacted at any meeting of the stockholders or members, if within the powers or authority of the corporation, shall be valid even if the meeting be improperly held or called, provided all the stockholders or members of the corporation are present or

	<p>duly represented at the meeting AND NONE OF THEM EXPRESSLY STATE AT THE BEGINNING OF THE MEETING THAT THE PURPOSE OF THEIR ATTENDANCE IS TO OBJECT TO THE TRANSACTION OF ANY BUSINESS BECAUSE THE MEETING IS NOT LAWFULLY CALLED OR CONVENED.</p>	
<p>Section 53. Regular and special meetings of directors or trustees. – Regular meetings of the board of directors or trustees of every corporation shall be held monthly, unless the by-laws provide otherwise.</p> <p>Special meetings of the board of directors or trustees may be held at any time upon the call of the president or as provided in the by-laws.</p> <p>Meetings of directors or trustees of corporations may be held anywhere in or outside of the Philippines, unless the by-laws provide otherwise. Notice of regular or special meetings stating the date, time and place of the meeting must be sent to every director or trustee at least one (1) day prior to the scheduled meeting, unless otherwise provided by the by-laws. A director or trustee may waive this requirement, either expressly or impliedly.</p>	<p>Section 53. Regular and special meetings of directors or trustees. – Regular meetings of the board of directors or trustees of every corporation shall be held monthly, unless the by-laws provide otherwise.</p> <p>Special meetings of the board of directors or trustees may be held at any time upon the call of the president or as provided in the by-laws.</p> <p>Meetings of directors or trustees of corporations may be held anywhere in or outside of the Philippines, unless the by-laws provide otherwise. Notice of regular or special meetings stating the date, time and place of the meeting must be sent to every director or trustee at least one (1) day FIVE (5) DAYS prior to the scheduled meeting, unless otherwise A LONGER TIME IS provided by the by-laws. A director or trustee may waive this requirement, either expressly or impliedly.</p> <p>DIRECTORS OR TRUSTEES CANNOT ATTEND OR VOTE BY PROXY AT BOARD MEETINGS; HOWEVER, WHEN ALLOWED BY THE BY-LAWS, THEY CAN ATTEND BOARD MEETINGS THROUGH REMOTE COMMUNICATION SUCH AS VIDEOCONFERENCING, TELECONFERENCING OR OTHER TECHNOLOGY THAT ALLOWS THEM A REASONABLE OPPORTUNITY TO PARTICIPATE.</p>	<ul style="list-style-type: none"> - revised the lead time of sending the notice of meeting from 1 day to 5 days - included a provision that directors or trustees are not allowed to attend or vote by proxy - included a provision that a remote attendance is allowed subject to the provision of by-laws
<p>Section 58. Proxies. – Stockholders and members may vote in person or by proxy in all meetings of stockholders or members. Proxies shall in writing, signed by the stockholder or member and filed before the scheduled meeting with the corporate secretary. Unless otherwise provided in the proxy, it shall be valid only for the meeting for which it is intended. No proxy shall be valid and effective for a period longer than five (5) years at any one time.</p>	<p>Section 58. MANNER OF VOTING; Proxies. – Stockholders and members may vote in person, IN ABSENTIA or by proxy in all meetings of stockholders or members. VOTING DONE WHEN ATTENDANCE IS BY REMOTE COMMUNICATION SHALL BE EQUIVALENT TO VOTING IN PERSON. A STOCKHOLDER OR MEMBER MAY VOTE WITHOUT ATTENDING THE MEETING FOR AS LONG AS THE VOTE IS CAST AND RECEIVED ON OR BEFORE THE TALLY OF VOTES IS COMPLETED AT THE MEETING, AND THE VOTE IS MADE IN ACCORDANCE WITH THE CORPORATION'S REQUIREMENTS AND PROCEDURES FOR VOTING IN ABSENTIA. THE COMMISSION SHALL PRESCRIBE THE MINIMUM STANDARDS AND GUIDELINES FOR VOTING WHEN ATTENDANCE IS DONE BY REMOTE COMMUNICATION OR WHEN VOTING IS IN ABSENTIA.</p>	<ul style="list-style-type: none"> - included a provision about voting in absentia and attendance is done by remote communication

	<p>Proxies shall in writing, signed by the stockholder or member and filed before the scheduled meeting with the corporate secretary. Unless otherwise provided in the proxy, it shall be valid only for the meeting for which it is intended. No proxy shall be valid and effective for a period longer than five (5) years at any one time.</p>	
<p>Section 59. Voting trusts. – One or more stockholders of a stock corporation may create a voting trust for the purpose of conferring upon a trustee or trustees the right to vote and other rights pertaining to the shares for a period not exceeding five (5) years at any time: Provided, That in the case of a voting trust specifically required as a condition in a loan agreement, said voting trust may be for a period exceeding five (5) years but shall automatically expire upon full payment of the loan. A voting trust agreement must be in writing and notarized, and shall specify the terms and conditions thereof. A certified copy of such agreement shall be filed with the corporation and with the Securities and Exchange Commission; otherwise, said agreement is ineffective and unenforceable. The certificate or certificates of stock covered by the voting trust agreement shall be cancelled and new ones shall be issued in the name of the trustee or trustees stating that they are issued pursuant to said agreement. In the books of the corporation, it shall be noted that the transfer in the name of the trustee or trustees is made pursuant to said voting trust agreement.</p> <p>The trustee or trustees shall execute and deliver to the transferors voting trust certificates, which shall be transferable in the same manner and with the same effect as certificates of stock.</p> <p>The voting trust agreement filed with the corporation shall be subject to examination by any stockholder of the corporation in the same manner as any other corporate book or record: Provided, That both the transferor and the trustee or trustees may exercise the right of inspection of all corporate books and records in accordance with the provisions of this Code.</p> <p>Any other stockholder may transfer his shares to the same trustee or trustees upon the terms and conditions stated in the voting trust agreement, and thereupon shall be bound by all the provisions of said agreement.</p> <p>No voting trust agreement shall be entered into for the purpose of circumventing the law against monopolies and illegal combinations in restraint of trade or used for purposes of fraud.</p>	<p>Section 59. Voting trusts. – One or more stockholders of a stock corporation may create a voting trust for the purpose of conferring upon a trustee or trustees the right to vote and other rights pertaining to the shares for a period not exceeding five (5) years at any time: Provided, That in the case of a voting trust specifically required as a condition in a loan agreement, said voting trust may be for a period exceeding five (5) years but shall automatically expire upon full payment of the loan. A voting trust agreement must be in writing and notarized, and shall specify the terms and conditions thereof. A certified copy of such agreement shall be filed with the corporation and with the Securities and Exchange Commission; otherwise, said agreement is ineffective and unenforceable AND SHALL BE EFFECTIVE AND ENFORCEABLE ONLY UPON APPROVAL THEREOF BY THE COMMISSION. The certificate or certificates of stock covered by the voting trust agreement shall be cancelled and new ones shall be issued in the name of the trustee or trustees stating that they are issued pursuant to said agreement. In the books of the corporation, it shall be noted that the transfer in the name of the trustee or trustees is made pursuant to said voting trust agreement.</p> <p>The trustee or trustees shall execute and deliver to the transferors voting trust certificates, which shall be transferable in the same manner and with the same effect as certificates of stock.</p> <p>The voting trust agreement filed with the corporation shall be subject to examination by any stockholder of the corporation in the same manner as any other corporate book or record: Provided, That both the transferor and the trustee or trustees may exercise the right of inspection of all corporate books and records in accordance with the provisions of this Code.</p> <p>Any other stockholder may transfer his shares to the same trustee or trustees upon the terms and conditions stated in the voting trust agreement, and thereupon shall be bound by all the provisions of said agreement.</p> <p>No voting trust agreement shall be entered into for the purpose of circumventing the law against monopolies and illegal combinations in</p>	<p>- added a requirement that voting trust has to be approved by the Commission before it becomes effective and enforceable</p>

<p>Unless expressly renewed, all rights granted in a voting trust agreement shall automatically expire at the end of the agreed period, and the voting trust certificates as well as the certificates of stock in the name of the trustee or trustees shall thereby be deemed cancelled and new certificates of stock shall be reissued in the name of the transferors.</p> <p>The voting trustee or trustees may vote by proxy unless the agreement provides otherwise.</p>	<p>restraint of trade or used for purposes of fraud.</p> <p>Unless expressly renewed, all rights granted in a voting trust agreement shall automatically expire at the end of the agreed period, and the voting trust certificates as well as the certificates of stock in the name of the trustee or trustees shall thereby be deemed cancelled and new certificates of stock shall be reissued in the name of the transferors.</p> <p>The voting trustee or trustees may vote by proxy unless the agreement provides otherwise.</p>	
<p>Section 61. Pre-incorporation subscription. – A subscription for shares of stock of a corporation still to be formed shall be irrevocable for a period of at least six (6) months from the date of subscription, unless all of the other subscribers consent to the revocation, or unless the incorporation of said corporation fails to materialize within said period or within a longer period as may be stipulated in the contract of subscription: Provided, That no pre-incorporation subscription may be revoked after the submission of the articles of incorporation to the Securities and Exchange Commission.</p>	<p>Section 61. Pre-incorporation subscription. – A subscription for shares of stock of a corporation still to be formed shall be irrevocable for a period of at least six (6) months from the date of subscription, unless all of the other subscribers consent to the revocation, or unless the incorporation of said corporation fails to materialize within said period or within a longer period as may be stipulated in the contract of subscription: Provided, That no pre-incorporation subscription may be revoked after the submission of the articles of incorporation to the Securities and Exchange Commission. (n)</p>	No major amendment
<p>Section 62. Consideration for stocks. – Stocks shall not be issued for a consideration less than the par or issued price thereof. Consideration for the issuance of stock may be any or a combination of any two or more of the following:</p> <ol style="list-style-type: none"> 1. Actual cash paid to the corporation; 2. Property, tangible or intangible, actually received by the corporation and necessary or convenient for its use and lawful purposes at a fair valuation equal to the par or issued value of the stock issued; 3. Labor performed for or services actually rendered to the corporation; 4. Previously incurred indebtedness of the corporation; 5. Amounts transferred from unrestricted retained earnings to stated capital; and 6. Outstanding shares exchanged for stocks in the event of reclassification or conversion. <p>Where the consideration is other than actual cash, or consists of intangible</p>	<p>Section 62. Consideration for stocks. – Stocks shall not be issued for a consideration less than the par or issued price thereof. Consideration for the issuance of stock may be any or a combination of any two or more of the following:</p> <ol style="list-style-type: none"> 1. Actual cash paid to the corporation; 2. Property, tangible or intangible, actually received by the corporation and necessary or convenient for its use and lawful purposes at a fair valuation equal to the par or issued value of the stock issued; 3. Labor performed for or services actually rendered to the corporation; 4. Previously incurred indebtedness of the corporation; 5. Amounts transferred from unrestricted retained earnings to stated capital; and 6. Outstanding shares exchanged for stocks in the event of reclassification or conversion. 	- included other considerations allowed

<p>property such as patents of copyrights, the valuation thereof shall initially be determined by the incorporators or the board of directors, subject to approval by the Securities and Exchange Commission.</p> <p>Shares of stock shall not be issued in exchange for promissory notes or future service.</p> <p>The same considerations provided for in this section, insofar as they may be applicable, may be used for the issuance of bonds by the corporation.</p> <p>The issued price of no-par value shares may be fixed in the articles of incorporation or by the board of directors pursuant to authority conferred upon it by the articles of incorporation or the by-laws, or in the absence thereof, by the stockholders representing at least a majority of the outstanding capital stock at a meeting duly called for the purpose.</p>	<p>7. SHARES OF STOCK OF ANOTHER CORPORATION; AND</p> <p>8. SUCH OTHER FORM OF CONSIDERATION THAT THE COMMISSION MAY DETERMINE TO BE ACCEPTABLE SUBJECT TO THE PROVISIONS OF THE CODE.</p> <p>Where the consideration is other than actual cash, or consists of intangible property such as patents of copyrights, the valuation thereof shall initially be determined by the incorporators or the board of directors, WHO SHALL THEN SUBMIT SUCH DETERMINATION, WITH SUPPORTING DOCUMENTS AS THE COMMISSION MAY PRESCRIBE, FOR THE subject to approval by OF the Securities and Exchange Commission.</p> <p>Shares of stock shall not be issued in exchange for promissory notes or future service.</p> <p>The same considerations provided for in this section, insofar as they may be applicable, may be used for the issuance of bonds by the corporation.</p> <p>The issued price of no-par value shares may be fixed in the articles of incorporation or by the board of directors pursuant to authority conferred upon it by the articles of incorporation or the by-laws, or in the absence thereof, by the stockholders representing at least a majority of the outstanding capital stock at a meeting duly called for the purpose.</p>	
<p>Section 63. Certificate of stock and transfer of shares. – The capital stock of stock corporations shall be divided into shares for which certificates signed by the president or vice president, countersigned by the secretary or assistant secretary, and sealed with the seal of the corporation shall be issued in accordance with the by-laws. Shares of stock so issued are personal property and may be transferred by delivery of the certificate or certificates indorsed by the owner or his attorney-in-fact or other person legally authorized to make the transfer. No transfer, however, shall be valid, except as between the parties, until the transfer is recorded in the books of the corporation showing the names of the parties to the transaction, the date of the transfer, the number of the certificate or certificates and the number of shares transferred.</p>	<p>Section 63. Certificate of stock and transfer of shares. – The capital stock of stock corporations shall be divided into shares for which certificates signed by the president or vice president, countersigned by the secretary or assistant secretary, and sealed with the seal of the corporation shall be issued in accordance with the by-laws. Shares of stock so issued are personal property and may be transferred by delivery of the certificate or certificates indorsed by the owner or his attorney-in-fact or other person legally authorized to make the transfer. No transfer, however, shall be valid, except as between the parties, until the transfer is recorded in the books of the corporation showing the names of the parties to the transaction, the date of the transfer, the number of the certificate or certificates and the number of shares transferred; THE COMMISSION MAY REQUIRE CORPORATIONS WHOSE SECURITIES ARE TRADED IN AN EXCHANGE OR OTHER</p>	<p>- included additional requirement for those corporations whose securities are traded in an exchange or other authorized trading markets</p>

<p>No shares of stock against which the corporation holds any unpaid claim shall be transferable in the books of the corporation.</p>	<p>AUTHORIZED TRADING MARKETS TO ISSUE ITS SECURITIES OR SHARES OF STOCKS IN UNCERTIFICATED OR SCRIPLESS FORM BY VIRTUE OF, AND IN ACCORDANCE WITH, THE RULES OF THE COMMISSION.</p> <p>No shares of stock against which the corporation holds any unpaid claim shall be transferable in the books of the corporation.</p>	
<p>Section 74. Books to be kept; stock transfer agent. – Every corporation shall keep and carefully preserve at its principal office a record of all business transactions and minutes of all meetings of stockholders or members, or of the board of directors or trustees, in which shall be set forth in detail the time and place of holding the meeting, how authorized, the notice given, whether the meeting was regular or special, if special its object, those present and absent, and every act done or ordered done at the meeting. Upon the demand of any director, trustee, stockholder or member, the time when any director, trustee, stockholder or member entered or left the meeting must be noted in the minutes; and on a similar demand, the yeas and nays must be taken on any motion or proposition, and a record thereof carefully made. The protest of any director, trustee, stockholder or member on any action or proposed action must be recorded in full on his demand.</p> <p>The records of all business transactions of the corporation and the minutes of any meetings shall be open to inspection by any director, trustee, stockholder or member of the corporation at reasonable hours on business days and he may demand, in writing, for a copy of excerpts from said records or minutes, at his expense.</p> <p>Any officer or agent of the corporation who shall refuse to allow any director, trustees, stockholder or member of the corporation to examine and copy excerpts from its records or minutes, in accordance with the provisions of this Code, shall be liable to such director, trustee, stockholder or member for damages, and in addition, shall be guilty of an offense which shall be punishable under Section 144 of this Code: Provided, That if such refusal is made pursuant to a resolution or order of the board of directors or trustees, the liability under this section for such action shall be imposed upon the directors or trustees who voted for such refusal: and Provided, further, That it shall be a defense to any action under this section that the person demanding to examine and copy excerpts from the corporation's records and minutes has improperly used any information secured through any prior</p>	<p>Section 74. Books to be kept; stock transfer agent. – Every corporation shall keep and carefully preserve at its principal office ALL INFORMATION RELATIVE TO THE CORPORATION INCLUDING, BUT NOT LIMITED TO: (a) THE ARTICLES OF INCORPORATION AND BY-LAWS OF THE CORPORATION AND ALL THEIR AMENDMENTS, (b) THE CURRENT OWNERSHIP STRUCTURE AND VOTING RIGHTS OF THE CORPORATION, INCLUDING LISTS OF STOCKHOLDERS OR MEMBERS, GROUP STRUCTURES, INTRA-GROUP RELATIONS, OWNERSHIP DATA, AND BENEFICIAL OWNERSHIP, (c) THE NAMES AND ADDRESSES OF ALL THE MEMBERS OF THE BOARD OF DIRECTORS OR 1 TRUSTEES AND OF THE EXECUTIVE OFFICERS, (d) a record of all business transactions, (e) A RECORD OF THE RESOLUTIONS OF THE BOARD OF DIRECTORS OR TRUSTEES AND OF THE STOCKHOLDERS OR MEMBERS, (f) COPIES OF THE LATEST REPORTORIAL REQUIREMENTS SUBMITTED TO THE COMMISSION, and (g) THE minutes of all meetings of stockholders or members, or of the board of directors or trustees, SUCH MINUTES in which shall be set forth in detail, AMONG OTHERS: the time and place of holding the meeting, how authorized, the notice given, THE AGENDA THEREFOR, whether the meeting was regular or special, if special its object, those present and absent, THE VOTING AND VOTE TABULATION PROCEDURES USED AND THE RESULTS OF ALL VOTING DONE, THE OPPORTUNITY GIVEN TO STOCKHOLDERS OR MEMBERS TO ASK QUESTIONS, AS WELL AS A RECORD OF THE QUESTIONS THEY ASKED AND THE ANSWERS RECEIVED, and every act done or ordered done at the meeting. Upon the demand of any director, trustee, stockholder or member, the time when any director, trustee, stockholder or member entered or left the meeting must be noted in the minutes; and on a similar demand, the yeas and nays must be taken on any motion or proposition, and a record thereof carefully made. The protest of any director, trustee, stockholder or member on any action or proposed action must be recorded in full on his demand.</p>	<ul style="list-style-type: none"> - specified the books to be kept at the corporation's principal office - included a reference of retention based on the prescription of the commission - included a provision that it can be stored in whatever form - included guidelines in case of denial of request for reproduction or inspection of records

examination of the records or minutes of such corporation or of any other corporation, or was not acting in good faith or for a legitimate purpose in making his demand.

Stock corporations must also keep a book to be known as the "stock and transfer book", in which must be kept a record of all stocks in the names of the stockholders alphabetically arranged; the installments paid and unpaid on all stock for which subscription has been made, and the date of payment of any installment; a statement of every alienation, sale or transfer of stock made, the date thereof, and by and to whom made; and such other entries as the by-laws may prescribe. The stock and transfer book shall be kept in the principal office of the corporation or in the office of its stock transfer agent and shall be open for inspection by any director or stockholder of the corporation at reasonable hours on business days.

No stock transfer agent or one engaged principally in the business of registering transfers of stocks in behalf of a stock corporation shall be allowed to operate in the Philippines unless he secures a license from the Securities and Exchange Commission and pays a fee as may be fixed by the Commission, which shall be renewable annually: Provided, That a stock corporation is not precluded from performing or making transfer of its own stocks, in which case all the rules and regulations imposed on stock transfer agents, except the payment of a license fee herein provided, shall be applicable.

The **FORGOING** records **SHALL BE RETAINED FOR SUCH PERIODS AS THE COMMISSION MAY PRESCRIBE BY RULE AND**, ~~of all business transactions of the corporation and the minutes of any meetings~~ **REGARDLESS OF THE FORM IN WHICH THEY ARE STORED**, shall be open to inspection by any director, trustee, stockholder or member of the corporation, **IN PERSON OR BY COUNSEL OR OTHER REPRESENTATIVE POSSESSING AND EXHIBITING DUE AUTHORITY**, at reasonable hours on business days and he may demand, in writing, for a ~~copy~~ **COPIES OF SUCH RECORDS OR** excerpts from said records ~~or minutes~~, at his expense. **THE INSPECTING OR REPRODUCING PARTY UNDER THIS SECTION SHALL REMAIN BOUND BY CONFIDENTIALITY UNDER PREVAILING LAWS.**

IF A REQUEST FOR INSPECTION AND/OR REPRODUCTION IS DENIED, THE AGGRIEVED PARTY MAY REPORT THE DENIAL TO THE COMMISSION. WITHIN FIVE (5) DAYS FROM RECEIPT OF SUCH REPORT, THE COMMISSION SHALL CONDUCT A SUMMARY INVESTIGATION AND ISSUE AN ORDER EITHER DIRECTING THE INSPECTION/REPRODUCTION REQUESTED OR FINDING THAT THE REQUESTING PARTY, NOT BEING A STOCKHOLDER OR MEMBER OF RECORD, IS NOT ENTITLED TO THE RIGHT.

Any officer or agent of the corporation who shall refuse to allow ~~any director, trustees, stockholder or member of the corporation to examine and copy excerpts from its records or minutes,~~ **THE INSPECTION AND/OR REPRODUCTION OF RECORDS** in accordance with the provisions of this Code, shall be liable to such director, trustee, stockholder or member for damages, and in addition, shall be guilty of an offense which shall be punishable under Section 144 of this Code: Provided, That if such refusal is made pursuant to a resolution or order of the board of directors or trustees, the liability under this section for such action shall be imposed upon the directors or trustees who voted for such refusal: and ~~Provided, further, That it shall be a defense to any action under this section that the person demanding to examine and copy excerpts from the corporation's records and minutes has improperly used any information secured through any prior examination of the records or minutes of such corporation or of any other corporation, or was not acting in good faith or for a legitimate purpose in making his demand.~~

THE DIRECTOR, TRUSTEE, STOCKHOLDER OR MEMBER WHOSE

	<p>RIGHT TO INSPECTION AND/OR REPRODUCTION OF RECORDS WAS DENIED MAY FILE, BEFORE A COURT OF COMPETENT JURISDICTION, AN ACTION TO COMPEL INSPECTION OF CORPORATE RECORDS SHOWING THAT, DESPITE THE LAPSE OF FIVE (5) DAYS FROM RECEIPT OF HIS WRITTEN REQUEST OR DEMAND AND DESPITE HAVING BEEN ORDERED BY THE COMMISSION TO DO SO, THE CORPORATION, OR AN OFFICER OR AGENT THEREOF, REFUSED TO ALLOW THE INSPECTION AND/OR REPRODUCTION OR FAILED TO REPLY TO THE WRITTEN REQUEST OR DEMAND OR THE ORDER OF THE COMMISSION. THE COURT MAY, AFTER SUMMARY PROCEEDINGS, ORDER THE CORPORATION TO PERMIT THE INSPECTION AND/OR REPRODUCTION OR ISSUE ANY SUCH OTHER OR FURTHER RELIEF AS IT MAY DEEM JUST AND PROPER.</p> <p>Stock corporations must also keep a book to be known as the “stock and transfer book”, in which must be kept a record of all stocks in the names of the stockholders alphabetically arranged; the installments paid and unpaid on all stock for which subscription has been made, and the date of payment of any installment; a statement of every alienation, sale or transfer of stock made, the date thereof, and by and to whom made; and such other entries as the by-laws may prescribe. The stock and transfer book shall be kept in the principal office of the corporation or in the office of its stock transfer agent and shall be open for inspection by any director or stockholder of the corporation at reasonable hours on business days.</p> <p>No stock transfer agent or one engaged principally in the business of registering transfers of stocks in behalf of a stock corporation shall be allowed to operate in the Philippines unless he secures a license from the Securities and Exchange Commission and pays a fee as may be fixed by the Commission, which shall be renewable annually: Provided, That a stock corporation is not precluded from performing or making transfer of its own stocks, in which case all the rules and regulations imposed on stock transfer agents, except the payment of a license fee herein provided, shall be applicable-; PROVIDED, FURTHER, THAT THE COMMISSION MAY REQUIRE AN INDEPENDENT TRANSFER AGENT IN THE CASE OF STOCK CORPORATIONS WHICH TRANSFER AND/OR TRADE STOCKS IN SECONDARY MARKETS.</p>	
<p>Section 75. Right to financial statements. – Within ten (10) days from receipt of a written request of any stockholder or member, the corporation</p>	<p>Section 75. Right to financial statements. – Within ten (10) days from receipt of a written request of any stockholder or member, the corporation</p>	<p>- included a provision exempting corporations with total assets or total</p>

<p>shall furnish to him its most recent financial statement, which shall include a balance sheet as of the end of the last taxable year and a profit or loss statement for said taxable year, showing in reasonable detail its assets and liabilities and the result of its operations.</p> <p>At the regular meeting of stockholders or members, the board of directors or trustees shall present to such stockholders or members a financial report of the operations of the corporation for the preceding year, which shall include financial statements, duly signed and certified by an independent certified public accountant.</p> <p>However, if the paid-up capital of the corporation is less than P50,000.00, the financial statements may be certified under oath by the treasurer or any responsible officer of the corporation.</p>	<p>shall furnish to him its most recent financial statement, IN THE FORM AND SUBSTANCE OF THE FINANCIAL REPORTING REQUIRED BY THE COMMISSION, which shall include a balance sheet as of the end of the last taxable year and a profit or loss statement for said taxable year, showing in reasonable detail its assets and liabilities and the result of its operations.</p> <p>At the regular meeting of stockholders or members, the board of directors or trustees shall present to such stockholders or members a financial report of the operations of the corporation for the preceding year, which shall include financial statements, duly signed and certified by an independent certified public accountant. IN ACCORDANCE WITH THIS CODE AND THE RULES THE COMMISSION MAY PRESCRIBE.</p> <p>However, if the paid-up capital TOTAL ASSETS OR TOTAL LIABILITIES of the corporation is is ARE less than P50,000.00 P500,000.00 OR SUCH HIGHER AMOUNT AS MAY BE LATER SET BY THE COMMISSION, the financial statements may be certified under oath by the CORPORATION'S INTERNAL AUDITOR treasurer or any responsible officer of the corporation, AND SHALL BE ACCOMPANIED BY THE FURTHER CERTIFICATION BY THE CORPORATION'S OFFICERS AS REQUIRED UNDER SECTION 180 OF THIS CODE.</p>	<p>liabilities of less than Php500k as to the requirement of the financial statements to be in the form and substance of the financial reporting required by the commission but a mere certification under oath by the corporation's internal auditor and further certification by the corporation's officers as required by the corporation code</p> <p>- included a reference to the financial reporting requirement by the commission as to the form and substance of the financial statements</p>
<p>Section 77. Stockholder's or member's approval. – Upon approval by majority vote of each of the board of directors or trustees of the constituent corporations of the plan of merger or consolidation, the same shall be submitted for approval by the stockholders or members of each of such corporations at separate corporate meetings duly called for the purpose. Notice of such meetings shall be given to all stockholders or members of the respective corporations, at least two (2) weeks prior to the date of the meeting, either personally or by registered mail. Said notice shall state the purpose of the meeting and shall include a copy or a summary of the plan of merger or consolidation. The affirmative vote of stockholders representing at least two-thirds (2/3) of the outstanding capital stock of each corporation in the case of stock corporations or at least two-thirds (2/3) of the members in the case of non-stock corporations shall be necessary for the approval of such plan. Any dissenting stockholder in stock corporations may exercise his appraisal right in accordance with the Code: Provided, That if after the approval by the stockholders of such plan, the board of directors decides to abandon the plan, the appraisal right shall be extinguished.</p>	<p>Section 77. Stockholder's or member's approval. – Upon approval by majority vote of each of the board of directors or trustees of the constituent corporations of the plan of merger or consolidation, the same shall be submitted for approval by the stockholders or members of each of such corporations at separate corporate meetings duly called for the purpose. Notice of such meetings shall be given to all stockholders or members of the respective corporations IN THE SAME MANNER AS NOTICE OF REGULAR OR SPECIAL MEETINGS UNDER SECTION 51. at least two (2) weeks prior to the date of the meeting, either personally or by registered mail. Said notice shall state, IN ADDITION TO THE REQUIREMENTS FOR NOTICE OF REGULAR OR SPECIAL MEETINGS UNDER SECTION 51, the purpose of the meeting and shall include a copy or a summary of the plan of merger or consolidation. The affirmative vote of stockholders representing at least two-thirds (2/3) of the outstanding capital stock of each corporation in the case of stock corporations or at least two-thirds (2/3) of the members in the case of non-stock corporations shall be necessary for the approval of such plan. Any dissenting stockholder in stock corporations may exercise his appraisal right in accordance with the Code: Provided, That if after the approval by the stockholders of such plan, the board of</p>	<p>- revised the timeline of giving notice to be the same as the requirement for regular or special meeting</p>

	directors decides to abandon the plan, the appraisal right shall be extinguished.	
<p>Section 78. Articles of merger or consolidation. – After the approval by the stockholders or members as required by the preceding section, articles of merger or articles of consolidation shall be executed by each of the constituent corporations, to be signed by the president or vice-president and certified by the secretary or assistant secretary of each corporation setting forth:</p> <ol style="list-style-type: none"> 1. The plan of the merger or the plan of consolidation; 2. As to stock corporations, the number of shares outstanding, or in the case of non-stock corporations, the number of members; and 3. As to each corporation, the number of shares or members voting for and against such plan, respectively. 	<p>Section 78. Articles of merger or consolidation. – After the approval by the stockholders or members as required by the preceding section, articles of merger or articles of consolidation shall be executed by each of the constituent corporations, to be signed by the president or vice-president and certified by the secretary or assistant secretary of each corporation setting forth:</p> <ol style="list-style-type: none"> 1. The plan of the merger or the plan of consolidation; 2. As to stock corporations, the number of shares outstanding, or in the case of non-stock corporations, the number of members; and 3. As to each corporation, the number of shares or members voting for and against such plan, respectively- <p>4. THE CARRYING AMOUNTS AND FAIR VALUES OF THE ASSETS AND LIABILITIES OF THE RESPECTIVE COMPANIES AS OF CUT-OFF DATE AGREED BY THE PARTIES;</p> <p>5. THE METHOD THAT WILL BE USED IN THE MERGER OR CONSOLIDATION OF ACCOUNTS OF THE COMPANIES;</p> <p>6. THE PROVISIONAL OR PRO-FORMA VALUES, AS MERGED OR CONSOLIDATED, USING THE ACCOUNTING METHOD; AND</p> <p>7. SUCH OTHER INFORMATION AS MAY BE PRESCRIBED BY THE COMMISSION.</p>	<p>- Included additional content of the the articles of merger or consolidation</p>
<p>Section 79. Effectivity of merger or consolidation. – The articles of merger or of consolidation, signed and certified as herein above required, shall be submitted to the Securities and Exchange Commission in quadruplicate for its approval: Provided, That in the case of merger or consolidation of banks or banking institutions, building and loan associations, trust companies, insurance companies, public utilities, educational institutions and other special corporations governed by special laws, the favorable recommendation of the appropriate government agency shall first be</p>	<p>Section 79. Effectivity of merger or consolidation. – The articles of merger or of consolidation, signed and certified as herein above required, shall be submitted to the Securities and Exchange Commission in quadruplicate for its approval: Provided, That in the case of merger or consolidation of banks or banking institutions, building and loan associations, trust companies, insurance companies, public utilities, educational institutions and other special corporations governed by special laws, the favorable recommendation of the appropriate government agency shall first be</p>	<p>- included the requirement that submission is to be in the form of an electronic document</p>

<p>obtained. If the Commission is satisfied that the merger or consolidation of the corporations concerned is not inconsistent with the provisions of this Code and existing laws, it shall issue a certificate of merger or of consolidation, at which time the merger or consolidation shall be effective.</p> <p>If, upon investigation, the Securities and Exchange Commission has reason to believe that the proposed merger or consolidation is contrary to or inconsistent with the provisions of this Code or existing laws, it shall set a hearing to give the corporations concerned the opportunity to be heard. Written notice of the date, time and place of hearing shall be given to each constituent corporation at least two (2) weeks before said hearing. The Commission shall thereafter proceed as provided in this Code.</p>	<p>obtained- ; PROVIDED, FURTHER, THAT THE SUBMISSION OF ARTICLES OF MERGER OR CONSOLIDATION, IN THE FORM OF AN ELECTRONIC DOCUMENT, SHALL BE IN ACCORDANCE WITH THE RULES AND REGULATIONS OF THE COMMISSION ON THE USE OF ELECTRONIC DATA MESSAGES. If the Commission is satisfied that the merger or consolidation of the corporations concerned is not inconsistent with the provisions of this Code and existing laws, it shall issue a certificate of merger or of consolidation, at which time the merger or consolidation shall be effective.</p> <p>If, upon investigation, the Securities and Exchange Commission has reason to believe that the proposed merger or consolidation is contrary to or inconsistent with the provisions of this Code or existing laws, it shall set a hearing to give the corporations concerned the opportunity to be heard. Written notice of the date, time and place of hearing shall be given to each constituent corporation at least two (2) weeks before said hearing. The Commission shall thereafter proceed as provided in this Code.</p>	
<p>Section 81. <i>(THIS IS A NEW PROVISION INSERTED IN THE CODE)</i></p>	<p>Section 81. DE FACTO MERGERS. – A SALE OF THE ASSETS OF A CORPORATION, WHETHER EFFECTUATED THROUGH A SINGLE OR A SERIES OF TRANSACTIONS, SHALL BE DEEMED A DE FACTO MERGER AND TREATED AS A MERGER OR CONSOLIDATION UNDER THIS CODE WHEN THE BUYER AND SELLER CORPORATIONS ENGAGE IN THE SAME OR SIMILAR BUSINESS, WHETHER WHOLE OR IN PART, AND THE TRANSACTION IS COUPLED WITH OR RESULTS IN ANY, SOME, OR ALL OF THE FOLLOWING OR OTHER SIMILAR CIRCUMSTANCES:</p> <p>1. THE SALE IS OF ALL OR SUBSTANTIALLY ALL OF THE ASSETS OF THE CORPORATION. A SALE SHALL BE DEEMED TO BE OF ALL OR SUBSTANTIALLY ALL OF THE ASSETS OF THE CORPORATION WHEN:</p> <p>a. AT LEAST EIGHTY PERCENT (80%) OF THE SELLER CORPORATION’S ASSETS ARE INCLUDED IN THE SALE,</p> <p>b. THE SELLER CORPORATION IS LEFT WITH ONLY BAD OR TOXIC ASSETS OR MASSIVE LIABILITIES,</p> <p>c. THE REMAINING ASSETS ARE NOT SUFFICIENT FOR THE CONTINUATION OF THE SELLER CORPORATION’S ORDINARY</p>	<p>- included additional provision about de facto mergers</p>

OPERATIONS, OR

d. UNDER CIRCUMSTANCES CONGRUOUS TO THE FOREGOING.

2. THE TRANSACTION RESULTS IN THE CESSATION OF THE ORDINARY BUSINESS OF THE SELLER CORPORATION. SUCH CESSATION SHALL BE DEEMED TO EXIST DESPITE THE NON-DISSOLUTION OF THE SELLER CORPORATION WHEN:

a. THE SELLER CORPORATION BECOMES MERELY A SHELL CORPORATION,

b. THE SELLER CORPORATION HAS NO OPERATIONS WHICH ARE BY THEMSELVES ECONOMICALLY VIABLE,

c. THE SELLER CORPORATION IS RENDERED INCAPABLE OF DOING BUSINESS EXCEPT THROUGH THE BUYER CORPORATION, OR

d. UNDER CIRCUMSTANCES CONGRUOUS TO THE FOREGOING.

3. THERE IS AN INTEGRATION OF THE SELLER CORPORATION'S PRODUCTIVE ASSETS AND OPERATIONS INTO THE BUYER CORPORATION'S OWN BUSINESS OR A CONTINUITY OF THE SELLER CORPORATION'S BUSINESS IN THE BUSINESS OF THE BUYER CORPORATION. SUCH INTEGRATION OR CONTINUITY SHALL BE

DEEMED TO EXIST WHEN THE BUYER CORPORATION, WHETHER WHOLLY OR IN PART, CONTINUES THE SELLER CORPORATION'S BUSINESS IN TERMS OF MANAGEMENT, PERSONNEL, PHYSICAL LOCATION, ASSETS, PROCESS, TECHNOLOGY ACTIVITIES, OR GENERAL BUSINESS OPERATIONS, OR INTEGRATES AND COMBINES THESE ASPECTS WITH ITS OWN BUSINESS MODEL, WHETHER OR NOT THERE IS A COMPLETE IDENTITY OR UNIFORMITY IN EVERY MATERIAL CHARACTERISTIC.

4. THERE IS AN ASSUMPTION BY THE BUYER CORPORATION OF THE SELLER CORPORATION'S LIABILITIES WHICH WOULD ORDINARILY BE NECESSARY TO CONTINUE THE SELLER CORPORATION'S BUSINESS OPERATIONS WITHOUT INTERRUPTION.

	<p>5. THE BUYER CORPORATION PAYS FOR THE SELLER CORPORATION'S ASSETS WITH SHARES OF ITS OWN STOCK.</p> <p>6. UNDER THE TERMS OF THE SALE OF THE ASSETS, THE SELLER CORPORATION IS PROHIBITED BY THE BUYER CORPORATION FROM CONTINUING OR ENGAGING IN THE SAME OR SIMILAR BUSINESS.</p> <p>THIS PROVISION SHALL APPLY WHETHER THE BUYER CORPORATION CARRIES OUT THE WHOLE OR A PART OF THE TRANSACTION OR SERIES OF TRANSACTIONS IN ITS OWN NAME OR THROUGH ANY OF ITS WHOLLY OWNED AND CONTROLLED SUBSIDIARIES OR OTHER RELATED PARTIES.</p>	
<p>Section 81. <i>Instances of appraisal right.</i> – Any stockholder of a corporation shall have the right to dissent and demand payment of the fair value of his shares in the following instances:</p> <ol style="list-style-type: none"> 1. In case any amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence; 2. In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in the Code; and 3. In case of merger or consolidation. 	<p>Section 81 82. <i>Instances of appraisal right; REMEDY AGAINST OPPRESSIVE ACTS.</i> – Any stockholder of a corporation shall have the right to dissent and demand payment of the fair value of his shares in the following instances:</p> <ol style="list-style-type: none"> 1. In case any amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence; 2. In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in the Code; and 3. In case of merger or consolidation WHETHER DE JURE OR DE FACTO. <p>4. WHEN THE CORPORATION SUBMITS FALSE OR INACCURATE FINANCIAL STATEMENTS AND/OR REPORTORIAL REQUIREMENTS OR WHEN THEY CONTAIN MISSTATEMENTS OR MISREPRESENTATIONS;</p> <p>5. WHEN THE CORPORATION REFUSES TO HOLD THE REGULAR MEETINGS OF STOCKHOLDERS OR UNDULY PREVENTS ANY</p>	<p>- included additional instances when any stockholder of a corporation shall have the right to dissent and demand payment of the fair value of his shares</p>

	<p>STOCKHOLDER FROM PARTICIPATING IN MEETINGS HELD;</p> <p>6. WHEN STOCKHOLDERS REPRESENTING A MAJORITY APPOINT THEIR NOMINEES AS DIRECTORS, WITHOUT HOLDING ELECTIONS;</p> <p>7. WHEN DIRECTORS AUTHORIZE PAYMENTS TO ENTITIES RELATED TO THEM OR OTHERWISE ENGAGE IN RELATED PARTY TRANSACTIONS; AND</p> <p>8. IN INSTANCES WHEN THE CORPORATION IS VIOLATING THE PROVISIONS OF THIS CODE, ITS RULES, OR OTHER LAWS.”</p>	
<p>Sections 82 and 83 of the Code are renumbered as Sections 83 and 84, respectively.</p>		
<p>Section 84 of the Code is renumbered as Section 85 and amended to delete “Securities and Exchange” from “Securities and Exchange Commission” in each instance.</p>		
<p>Sections 85 to 88 of the Code are renumbered as Sections 86 to 89 accordingly.</p>		
<p>Section 89. <i>Right to vote.</i> – The right of the members of any class or classes to vote may be limited, broadened or denied to the extent specified in the articles of incorporation or the by-laws. Unless so limited, broadened or denied, each member, regardless of class, shall be entitled to one vote.</p> <p>Unless otherwise provided in the articles of incorporation or the by-laws, a member may vote by proxy in accordance with the provisions of this Code. (n)</p> <p>Voting by mail or other similar means by members of non-stock corporations may be authorized by the by-laws of non-stock corporations with the approval of, and under such conditions which may be prescribed by, the Securities and Exchange Commission.</p>	<p>Section 89 90. <i>Right to vote.</i> – EXCEPT AS OTHERWISE PROVIDED IN THIS CODE, the right of the members of any class or classes to vote may be limited, broadened or denied to the extent specified in the articles of incorporation or the by-laws. Unless so limited, broadened or denied, each member, regardless of class, shall be entitled to one vote.</p> <p>Unless otherwise provided in the articles of incorporation or the by-laws, A member may vote IN PERSON, IN ABSENTIA, OR by proxy in accordance with the provisions of this Code. (n)</p> <p>Voting by mail or other similar means by members of non-stock corporations may be authorized by the by-laws of non-stock corporations with the approval of, and under such conditions which may be prescribed by, the Securities and Exchange Commission.</p>	<p>- added provision regarding voting in absentia or by proxy</p>

<p>Sections 90 and 91 of the Code are renumbered as Sections 91 and 92, respectively.</p>		
<p>Section 92. <i>Election and term of trustees.</i> – Unless otherwise provided in the articles of incorporation or the by-laws, the board of trustees of non-stock corporations, which may be more than fifteen (15) in number as may be fixed in their articles of incorporation or by-laws, shall, as soon as organized, so classify themselves that the term of office of one-third (1/3) of their number shall expire every year; and subsequent elections of trustees comprising one-third (1/3) of the board of trustees shall be held annually and trustees so elected shall have a term of three (3) years. Trustees thereafter elected to fill vacancies occurring before the expiration of a particular term shall hold office only for the unexpired period.</p> <p>No person shall be elected as trustee unless he is a member of the corporation.</p> <p>Unless otherwise provided in the articles of incorporation or the by-laws, officers of a non-stock corporation may be directly elected by the members.</p>	<p>Section 92 93. <i>Election and term of trustees.</i> – Unless otherwise provided in the articles of incorporation or the by-laws, The board of trustees of non-stock corporations SHALL BE IN SUCH NUMBER AS MAY BE FIXED IN THE ARTICLES OF INCORPORATION OR BY-LAWS, which may be more than NOT EXCEEDING fifteen (15) in number as may be fixed in their articles of incorporation or by-laws, shall. THEY SHALL HOLD OFFICE FOR ONE YEAR UNTIL THEIR SUCCESSORS ARE ELECTED AND QUALIFIED. as soon as organized, so classify themselves that the term of office of one-third (1/3) of their number shall expire every year; and subsequent elections of trustees comprising one-third (1/3) of the board of trustees shall be held annually and trustees so elected shall have a term of three (3) years. Trustees thereafter elected to fill vacancies occurring before the expiration of a particular term shall hold office only for the unexpired period.</p> <p>EXCEPT WITH RESPECT TO INDEPENDENT TRUSTEES UNDER SECTION 23, no person shall be elected as trustee unless he is a member of the corporation.</p> <p>Unless otherwise provided in the articles of incorporation or the by-laws, officers of a non-stock corporation may be directly elected by the members.</p>	<p>- amended the term of trustees</p>
<p>Section 93. <i>Place of meetings.</i> – The by-laws may provide that the members of a non-stock corporation may hold their regular or special meetings at any place even outside the place where the principal office of the corporation is located: Provided, That proper notice is sent to all members indicating the date, time and place of the meeting; and Provided, further, That the place of meeting shall be within the Philippines.</p>	<p>Section 93 94. <i>Place of meetings</i> LIST OF MEMBERS AND PROXIES. – THE CORPORATION SHALL, AT ALL TIMES, KEEP A LIST OF ITS MEMBERS AND THEIR PROXIES ON SITE AT ITS PRINCIPAL OFFICE, IN THE FORM THE COMMISSION MAY REQUIRE, WHICH LIST SHALL BE UPDATED IN A MANNER AS TO REFLECT THE MEMBERS AND PROXIES OF RECORD AS OF TWENTY DAYS PRIOR TO ANY SCHEDULED ELECTION. The by-laws may provide that the members of a non-stock corporation may hold their regular or special meetings at any place even outside the place where the principal office of the corporation is located: Provided, That proper notice is sent to all members indicating the date, time and place of the meeting; and Provided, further, That the place of meeting shall be within the Philippines.</p>	<p>Removed the section on the place of meetings and replaced with a provision regarding the requirement as to the list of members and proxies</p>
<p>Section 94. <i>Rules of distribution.</i> – In case dissolution of a non-stock corporation in accordance with the provisions of this Code, its assets shall be applied and distributed as follows:</p> <p>1. All liabilities and obligations of the corporation shall be paid, satisfied and</p>	<p>Section 94 95. <i>Rules of distribution.</i> – In case dissolution of a non-stock corporation in accordance with the provisions of this Code FOR REASONS OTHER THAN THOSE SET FORTH IN SECTION 136 (4) (B) TO (I), its assets shall be applied and distributed as follows:</p>	<p>- included a clarification that this section exclude those under section 136 (4) (b) to (i)</p>

<p>discharged, or adequate provision shall be made therefore;</p> <p>2. Assets held by the corporation upon a condition requiring return, transfer or conveyance, and which condition occurs by reason of the dissolution, shall be returned, transferred or conveyed in accordance with such requirements;</p> <p>3. Assets received and held by the corporation subject to limitations permitting their use only for charitable, religious, benevolent, educational or similar purposes, but not held upon a condition requiring return, transfer or conveyance by reason of the dissolution, shall be transferred or conveyed to one or more corporations, societies or organizations engaged in activities in the Philippines substantially similar to those of the dissolving corporation according to a plan of distribution adopted pursuant to this Chapter;</p> <p>4. Assets other than those mentioned in the preceding paragraphs, if any, shall be distributed in accordance with the provisions of the articles of incorporation or the by-laws, to the extent that the articles of incorporation or the by-laws, determine the distributive rights of members, or any class or classes of members, or provide for distribution; and</p> <p>5. In any other case, assets may be distributed to such persons, societies, organizations or corporations, whether or not organized for profit, as may be specified in a plan of distribution adopted pursuant to this Chapter.</p>	<p>1. All liabilities and obligations of the corporation shall be paid, satisfied and discharged, or adequate provision shall be made therefore;</p> <p>2. Assets held by the corporation upon a condition requiring return, transfer or conveyance, and which condition occurs by reason of the dissolution, shall be returned, transferred or conveyed in accordance with such requirements;</p> <p>3. Assets received and held by the corporation subject to limitations permitting their use only for charitable, religious, benevolent, educational or similar purposes, but not held upon a condition requiring return, transfer or conveyance by reason of the dissolution, shall be transferred or conveyed to one or more corporations, societies or organizations engaged in activities in the Philippines substantially similar to those of the dissolving corporation according to a plan of distribution adopted pursuant to this Chapter;</p> <p>4. Assets other than those mentioned in the preceding paragraphs, if any, shall be distributed in accordance with the provisions of the articles of incorporation or the by-laws, to the extent that the articles of incorporation or the by-laws, determine the distributive rights of members, or any class or classes of members, or provide for distribution; and</p> <p>5. In any other case, assets may be distributed to such persons, societies, organizations or corporations, whether or not organized for profit, as may be specified in a plan of distribution adopted pursuant to this Chapter.</p>	
<p>Sections 95 to 103 of the Code are renumbered as Sections 96 to 104 accordingly.</p>		
<p>Sections 104, 105, and 107 of the Code are amended by deleting “Securities and Exchange” from “Securities Exchange Commission” in each instance and, in Section 107, changing “Ministry of Education and Culture” to “Department of Education Culture and Sports”. Further Sections 104 to 107 are renumbered as Sections 105 to 108 accordingly.</p>		
<p>Section 108 of the Code is deleted.</p>		
<p>Sections 111, 112, 113, 114, 115, and 116 of the Code are amended by deleting “Securities and Exchange” from “Securities Exchange Commission” in</p>		

each instance.		
<p><i>(A new chapter is added to Title XIII on Special Corporations and the succeeding provisions are renumbered accordingly.)</i></p>	<p>CHAPTER III</p> <p>ONE PERSON CORPORATIONS</p> <p>SEC. 117. APPLICABILITY OF PROVISIONS TO ONE PERSON CORPORATIONS. – THE PROVISIONS OF THIS CODE ARE APPLICABLE TO ONE PERSON CORPORATIONS EXCEPT AS OTHERWISE PROVIDED IN THIS TITLE AND IN THE OTHER SPECIFIC PROVISIONS OF THIS CODE. 12</p> <p>SEC. 118. ONE PERSON CORPORATION. – A ONE PERSON CORPORATION IS A CORPORATION WITH ONLY A SINGLE STOCKHOLDER WHO IS A NATURAL PERSON OR A JURIDICAL PERSON.</p> <p>SEC. 119. SINGLE STOCKHOLDER. – FOR PURPOSES OF THIS CODE, THE FOLLOWING SHALL BE DEEMED A SINGLE STOCKHOLDER:</p> <p>a. A NATURAL PERSON WHO WHOLLY OWNS THE SHARES IN THE ONE PERSON CORPORATION;</p> <p>b. A JURIDICAL PERSON WHO WHOLLY OWNS THE SHARES IN THE ONE PERSON CORPORATION AND WHO ACTS AS SINGLE STOCKHOLDER THROUGH A DULY AUTHORIZED REPRESENTATIVE; AND</p> <p>c. A TRUST, ESTATE OR ACCOUNT WHO WHOLLY OWNS THE SHARES IN THE ONE PERSON CORPORATION AND WHO SHALL ACT AS STOCKHOLDER THROUGH ITS TRUSTEE, ADMINISTRATOR, EXECUTOR, GUARDIAN, CONSERVATOR, CUSTODIAN OR OTHER PERSON EXERCISING FIDUCIARY CAPACITIES AND DULY AUTHORIZED AS SUCH.</p> <p>SEC. 120. MINIMUM AMOUNT OF CAPITAL STOCK TO BE PAID FOR PURPOSES OF INCORPORATION. – THE MINIMUM AMOUNT OF AUTHORIZED CAPITAL STOCK FOR A ONE PERSON CORPORATION IS ONE MILLION PESOS (PHP1,000,000.00), THE PAYMENT OF WHICH</p>	<p>- included a chapter regarding one person corporations</p>

SHALL BE MADE BY THE SINGLE STOCKHOLDER IN ONE LUMP SUM AT THE TIME OF INCORPORATION AND PHYSICALLY SEPARATED FROM THE PERSONAL FUNDS OF THE SINGLE STOCKHOLDER.

SEC. 121. ARTICLES OF INCORPORATION; BY-LAWS NOT REQUIRED.
– INsofar AS APPLICABLE, A ONE PERSON CORPORATION SHALL FILE ARTICLES OF INCORPORATION IN ACCORDANCE WITH THE REQUIREMENTS UNDER SECTION 14 OF THIS CODE, SUBJECT TO THE FOLLOWING:

(1) THERE SHALL BE A STATEMENT AS TO WHETHER THE CAPITAL STOCK IS THE SOLE INVESTMENT OF A NATURAL OR OF A JURIDICAL PERSON, OR OF A TRUST, ESTATE OR ACCOUNT;

(2) IF THE SINGLE STOCKHOLDER IS A JURIDICAL PERSON, IT SHALL CLEARLY INDICATE THE NAME, NATIONALITY AND RESIDENCE OF THE NATURAL PERSON AUTHORIZED TO ACT ON ITS BEHALF AND ATTACH PROOF OF SUCH AUTHORITY;

(3) IF THE SINGLE STOCKHOLDER IS A TRUST, ESTATE OR ACCOUNT, IT SHALL CLEARLY INDICATE THE NAME, NATIONALITY AND RESIDENCE OF THE TRUSTEE, ADMINISTRATOR, EXECUTOR, GUARDIAN, CONSERVATOR, CUSTODIAN OR OTHER PERSON EXERCISING FIDUCIARY CAPACITIES AND ATTACH PROOF OF SUCH AUTHORITY TO ACT ON BEHALF OF THE TRUST, ESTATE OR ACCOUNT;

(4) IN ACCORDANCE WITH SECTION 127, IT SHALL DESIGNATE A NOMINEE AND ALTERNATE NOMINEE AND ATTACH THERETO THEIR PRIOR WRITTEN CONSENT, AS WELL AS STATE THE COMPENSATION THEY SHALL RECEIVE AND THE EXTENT OF OR LIMITATIONS ON THEIR AUTHORITY;

(5) THE ARTICLES OF INCORPORATION SHALL BE ACCOMPANIED BY A SWORN STATEMENT BY THE STOCKHOLDER AS TO THE AMOUNT OF THE CAPITAL STOCK AND THAT THE SAME HAS BEEN PAID IN FULL
AND MAINTAINED IN AN ACCOUNT SEPARATE FROM THAT OF THE

STOCKHOLDER;

(6) THERE SHALL BE ATTACHED TO THE ARTICLES OF INCORPORATION A CODE OF ETHICS OR STANDARDS OF CONDUCT AS SET FORTH IN SECTION 47, SUBPARAGRAPH 11 OF THIS CODE; AND

(7) THERE SHALL BE ATTACHED TO THE ARTICLES OF INCORPORATION INTERNAL PROCEDURES FOR WHISTLEBLOWERS AS SET FORTH IN SECTION 47, SUBPARAGRAPH 12 OF THIS CODE.

THE ONE PERSON CORPORATION SHALL BE EXEMPT FROM THE FILING OF BY-LAWS.

SEC. 122. PROHIBITION AGAINST MULTIPLE ONE PERSON CORPORATIONS. – ANY PERSON, TRUST, ESTATE OR ACCOUNT MAY ONLY INCORPORATE AND MAINTAIN ONE PERSON CORPORATION AT ANY GIVEN INSTANCE. A ONE PERSON CORPORATION MAY NOT INCORPORATE A NEW ONE PERSON CORPORATION.

SEC. 123. DISPLAY OF CORPORATE NAME. – A ONE PERSON CORPORATION SHALL INDICATE EITHER BELOW OR AT THE END OF ITS CORPORATE NAME, THE WORDS “ONE PERSON CORPORATION” OR THE LETTERS “OPC”, WHEREVER ITS NAME IS PRINTED, AFFIXED, ENGRAVED OR OTHERWISE PRESENTED.

SEC. 124. SINGLE STOCKHOLDER AS DIRECTOR, PRESIDENT AND TREASURER. – THE SINGLE STOCKHOLDER SHALL BE THE SOLE DIRECTOR, PRESIDENT (OR CHIEF EXECUTIVE OFFICER) AND TREASURER (OR CHIEF FINANCE OFFICER) OF THE ONE PERSON CORPORATION.

SEC. 125. CORPORATE SECRETARY AND OTHER OFFICERS. – WITHIN FIFTEEN DAYS FROM THE ISSUANCE OF ITS CERTIFICATE OF INCORPORATION, THE ONE PERSON CORPORATION SHALL APPOINT A CORPORATE SECRETARY, WHO SHALL BE OTHER THAN THE SINGLE STOCKHOLDER, AND NOTIFY THE COMMISSION THEREOF WITHIN FIVE DAYS FROM APPOINTMENT.

THE ONE PERSON CORPORATION MAY APPOINT SUCH OTHER OFFICERS AS IT MAY DEEM NECESSARY.

SEC. 126. SPECIAL FUNCTIONS OF THE CORPORATE SECRETARY. – IN ADDITION TO THE FUNCTIONS DESIGNATED BY THE ONE PERSON CORPORATION AND REQUIRED ELSEWHERE IN THIS CODE, THE CORPORATE SECRETARY SHALL:

(a) BE RESPONSIBLE FOR MAINTAINING THE MINUTES-BOOK OF THE CORPORATION;

(b) NOTIFY THE NOMINEE, OR ALTERNATE NOMINEE AS THE CASE MAY BE, OF THE DEATH OR INCAPACITY OF THE SINGLE STOCKHOLDER, WHICH NOTICE SHALL BE GIVEN NOT LATER THAN FIVE (5) DAYS FROM THE SINGLE STOCKHOLDER'S DEATH OR INCAPACITY;

(c) NOTIFY THE COMMISSION OF THE DEATH OF THE SINGLE STOCKHOLDER WITHIN A PERIOD OF FIVE (5) DAYS FROM SUCH DEATH AND STATING IN SUCH NOTICE THE NAMES, RESIDENCES AND CONTACT DETAILS OF ALL KNOWN LEGAL HEIRS; AND

(d) CALL THE NOMINEE OR ALTERNATIVE NOMINEE TO A MEETING WITH THE KNOWN LEGAL HEIRS AND GIVE GUIDANCE ON THE OPTIONS OF THE LEGAL HEIRS WITH REGARD TO THE ONE PERSON CORPORATION, INCLUDING THE ELECTION OF A NEW DIRECTOR, AMENDING THE ARTICLES OF INCORPORATION AND OTHER ANCILLARY AND/OR CONSEQUENTIAL MATTERS.

SEC. 127. NOMINEE AND ALTERNATE NOMINEE. – THE SINGLE STOCKHOLDER SHALL DESIGNATE A NOMINEE AND AN ALTERNATE NOMINEE WHO SHALL, IN THE EVENT OF THE SINGLE STOCKHOLDER'S DEATH OR INCAPACITY AND AFTER RECEIVING DUE NOTICE THEREOF FROM THE CORPORATE SECRETARY, TAKE THE PLACE OF THE SINGLE STOCKHOLDER AS DIRECTOR AND MANAGE THE AFFAIRS OF THE CORPORATION AS PROVIDED IN THE ARTICLES OF INCORPORATION.

THE ARTICLES OF INCORPORATION SHALL STATE THE NAMES, RESIDENCES AND CONTACT DETAILS OF THE NOMINEE AND ALTERNATE NOMINEE, THE COMPENSATION THEY SHALL BE ENTITLED TO RECEIVE, AS WELL AS THE EXTENT OF AND LIMITATIONS ON THEIR AUTHORITY IN MANAGING THE AFFAIRS OF THE ONE PERSON CORPORATION.

THE WRITTEN CONSENT OF THE NOMINEE AND ALTERNATE NOMINEE SHALL BE SUBMITTED TO THE COMMISSION TOGETHER WITH THE FILING OF THE ONE PERSON CORPORATION'S ARTICLES OF INCORPORATION. SUCH CONSENT MAY BE WITHDRAWN IN WRITING BY FURNISHING COPIES THEREOF TO THE SINGLE STOCKHOLDER AND THE COMMISSION ANYTIME BEFORE THE DEATH OR INCAPACITY OF THE SINGLE STOCKHOLDER.

THE NOMINEE SHALL, IN THE EVENT OF THE SINGLE STOCKHOLDER'S DEATH OR INCAPACITY AND AFTER RECEIVING DUE NOTICE THEREOF FROM THE CORPORATE SECRETARY, TAKE THE PLACE OF THE SINGLE STOCKHOLDER AS DIRECTOR AND MANAGE THE AFFAIRS OF THE ONE PERSON CORPORATION.

SEC. 128. TERM OF NOMINEE AND ALTERNATE NOMINEE. – WHEN THE INCAPACITY OF THE SINGLE STOCKHOLDER IS TEMPORARY, THE NOMINEE SHALL SIT AS DIRECTOR AND MANAGE THE AFFAIRS OF THE ONE PERSON CORPORATION ONLY UNTIL THE SINGLE STOCKHOLDER, BY HIS OWN DETERMINATION, REGAINS HIS CAPACITY. IN CASE OF DEATH OR PERMANENT INCAPACITY OF THE SINGLE STOCKHOLDER, THE NOMINEE SHALL SIT AS DIRECTOR AND MANAGE THE AFFAIRS OF THE ONE PERSON CORPORATION ONLY UNTIL THE LEGAL HEIRS OF THE SINGLE STOCKHOLDER HAVE BEEN LAWFULLY DETERMINED, THE SHARES ARE TRANSFERRED IN THEIR NAME, AND/OR THEY HAVE DESIGNATED ONE OF THEM TO ACT ON THEIR BEHALF AS THE SINGLE STOCKHOLDER OF THE ONE PERSON CORPORATION.

THE ALTERNATE NOMINEE SHALL SIT AS DIRECTOR AND MANAGE THE ONE PERSON CORPORATION IN CASE OF THE NOMINEE'S INABILITY, INCAPACITY OR DEATH AND ONLY FOR THE SAME TERM AND UNDER THE SAME CONDITIONS APPLICABLE TO THE

NOMINEE.

SEC. 129. CHANGE OF NOMINEE OR ALTERNATE NOMINEE. – THE SINGLE STOCKHOLDER MAY, AT ANY TIME, CHANGE THE NAME OF THE NOMINEE OR ALTERNATE NOMINEE BY SUBMITTING NEW NAMES AND NEW WRITTEN CONSENTS TO THE COMMISSION, WHICH SHALL BE APPENDED TO THE ONE PERSON CORPORATION'S ARTICLES OF INCORPORATION. THE ARTICLES OF INCORPORATION NEED NOT BE AMENDED FOR SUCH CHANGE IN NOMINEE OR ALTERNATE NOMINEE.

SEC. 130. RECORDS IN LIEU OF MEETINGS. – NO STOCKHOLDERS MEETING NEED BE HELD IN A ONE PERSON CORPORATION. WHEN ACTION IS NEEDED ON ANY MATTER, IT SHALL BE SUFFICIENT, FOR PURPOSES OF VALIDITY, IF THE RESOLUTION THEREON IS MADE IN WRITING, SIGNED AND DATED BY THE SINGLE STOCKHOLDER/DIRECTOR, AND RECORDED IN THE MINUTES-BOOK OF THE ONE PERSON CORPORATION. THE DATE RECORDED IN THE MINUTES-BOOK SHALL BE DEEMED TO BE THE DATE OF THE MEETING FOR ALL PURPOSES UNDER THIS CODE.

SEC. 131. MINUTES-BOOK. – EACH ONE PERSON CORPORATION SHALL MAINTAIN A MINUTES-BOOK IN WHICH SHALL BE ENTERED IN WRITING ALL ACTIONS, DECISIONS, RESOLUTIONS TAKEN BY THE ONE PERSON CORPORATION, SIGNED AND DATED BY THE SINGLE STOCKHOLDER/DIRECTOR, AT THE TIME THE ACTION, DECISION OR RESOLUTION IS MADE.

SEC. 132. CO-MINGLING OF PROPERTY. – WHERE THE SINGLE STOCKHOLDER CANNOT PROVE THAT THE PROPERTY OF THE ONE PERSON CORPORATION IS INDEPENDENT OF HIS OWN PROPERTY, HE SHALL ASSUME THE JOINT AND SEVERAL LIABILITY FOR THE DEBTS AND OTHER LIABILITIES OF THE ONE PERSON CORPORATION.

SEC. 133. REPORTORIAL SUBMISSIONS. – THE ONE PERSON CORPORATION SHALL SUBMIT THE FOLLOWING TO THE COMMISSION ANNUALLY AND WITHIN SUCH PERIODS AS THE COMMISSION MAY PRESCRIBE:

1. FINANCIAL STATEMENTS CERTIFIED BY THE CHIEF EXECUTIVE OFFICER AND CORPORATE SECRETARY AND DULY AUDITED BY AN INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT ACCREDITED BY THE BOARD OF ACCOUNTANCY;

2. A REPORT CONTAINING EXPLANATIONS OR COMMENTS BY THE CHIEF EXECUTIVE DIRECTOR ON EVERY QUALIFICATION, RESERVATION OR ADVERSE REMARK OR DISCLAIMER MADE BY THE AUDITOR IN HIS REPORT; AND

3. A DISCLOSURE OF ALL SELF-DEALINGS AND RELATED PARTY TRANSACTIONS ENTERED INTO BETWEEN THE ONE PERSON CORPORATION AND THE SINGLE STOCKHOLDER.

FOR PURPOSES OF THIS PROVISION, THE FISCAL YEAR OF A ONE PERSON CORPORATION SHALL BE THAT SET FORTH IN ITS ARTICLES OF INCORPORATION OR, IN THE ABSENCE THEREOF, THE CALENDAR YEAR.

SEC. 134. CHANGE OF STATUS FROM A REGULAR STOCK CORPORATION TO A ONE PERSON CORPORATION. – WHEN A SINGLE STOCKHOLDER, AS DEFINED UNDER THIS TITLE, ACQUIRES ALL THE STOCKS OF A REGULAR STOCK CORPORATION, THE LATTER MAY APPLY FOR CONVERSION INTO A ONE PERSON CORPORATION, SUBJECT TO THE SUBMISSION OF SUCH DOCUMENTS THE SEC MAY REQUIRE. IF THE APPLICATION FOR CONVERSION IS APPROVED, THE SEC SHALL FORTHWITH ISSUE AN AMENDED CERTIFICATE OF INCORPORATION REFLECTING THE CONVERSION. THE ONE PERSON CORPORATION CONVERTED FROM A REGULAR STOCK CORPORATION SHALL SUCCEED TO AND BE LEGALLY RESPONSIBLE FOR ALL THE LATTER’S OUTSTANDING LIABILITIES AS OF THE DATE OF CONVERSION.

SEC. 135. CHANGE IN STATUS OF A ONE PERSON CORPORATION. – A ONE PERSON CORPORATION MAY BE CONVERTED INTO A REGULAR STOCK CORPORATION AFTER DUE NOTICE TO THE SEC OF SUCH FACT, OF THE CIRCUMSTANCES LEADING TO THE CONVERSION, AND OF COMPLIANCE WITH ALL OTHER

	<p>REQUIREMENTS FOR STOCK CORPORATIONS UNDER THIS CODE AND APPLICABLE RULES. SUCH NOTICE SHALL BE FILED WITH THE SEC WITHIN SIXTY (60) DAYS FROM THE OCCURRENCE OF THE CIRCUMSTANCES LEADING TO THE CONVERSION INTO A REGULAR STOCK CORPORATION. IF ALL REQUIREMENTS HAVE BEEN DULY COMPLIED WITH, THE SEC SHALL FORTHWITH ISSUE AN AMENDED CERTIFICATE OF INCORPORATION REFLECTING THE CONVERSION.</p> <p>IN CASE OF DEATH OF THE SINGLE STOCKHOLDER, THE NOMINEE OR ALTERNATE NOMINEE, AS THE CASE MAY BE, SHALL TRANSFER THE SHARES IN THE NAME OF THE SINGLE STOCKHOLDERS' LEGAL HEIRS WITHIN SEVEN (7) DAYS FROM RECEIPT OF EITHER AN AFFIDAVIT OF HEIRSHIP OR OF SELF-ADJUDICATION BY A SOLE HEIR, OR ANY OTHER LEGAL DOCUMENT DECLARING THE LEGAL HEIRS OF THE SINGLE STOCKHOLDER AND, WITHIN THE SAME PERIOD, NOTIFY THE SEC OF THE TRANSFER. WITHIN SIXTY (60) DAYS FROM THE TRANSFER OF THE SHARES IN THEIR NAME, THE LEGAL HEIRS SHALL NOTIFY THE SEC IF THEY DECIDE TO WIND UP AND DISSOLVE THE ONE PERSON CORPORATION OR CONVERT IT INTO A REGULAR STOCK CORPORATION.</p> <p>THE REGULAR STOCK CORPORATION CONVERTED FROM A ONE PERSON CORPORATION SHALL SUCCEED TO AND BE LEGALLY RESPONSIBLE FOR ALL THE LATTER'S OUTSTANDING LIABILITIES AS OF THE DATE OF CONVERSION.</p>	
<p>Section 117. <i>Methods of dissolution.</i> – A corporation formed or organized under the provisions of this Code may be dissolved voluntarily or involuntarily.</p>	<p>Section 417—136. <i>Methods of dissolution; EFFECTIVE DATE OF DISSOLUTION.</i> – A corporation formed or organized under the provisions of this Code may be dissolved IN ANY OF THE FOLLOWING WAYS: voluntarily or involuntarily.</p> <p>1. AUTOMATICALLY BY EXPIRATION OF THE CORPORATE TERM STATED IN THE ARTICLES OF INCORPORATION, AS ORIGINALLY STATED, OR AS LENGTHENED OR SHORTENED IN ACCORDANCE WITH THE PROVISIONS OF THIS CODE.</p> <p>2. BY ACTION OF A MAJORITY OF THE INCORPORATORS OR A MAJORITY OF THE DIRECTORS OR TRUSTEES WHEN THE</p>	<p>- included a provision as to the effective date of dissolution and circumstances when a corporation is considered dissolved</p>

CORPORATION:

a. HAS NOT COMMENCED BUSINESS,

b. BEING A STOCK CORPORATION, HAS NOT ISSUED SHARES,

c. HAS NO DEBTS OR OTHER LIABILITIES, AND

d. HAS RECEIVED NO PAYMENTS ON SUBSCRIPTIONS FOR SHARES IN THE CASE OF STOCK CORPORATIONS, OR CONTRIBUTIONS IN THE CASE OF NON-STOCK CORPORATIONS, OR, HAVING RECEIVED THEM, HAS RETURNED THEM TO THOSE ENTITLED THERETO, LESS AMOUNTS DISBURSED FOR LAWFUL EXPENSES.

3. BY ACTION OF THE BOARD OF DIRECTORS AND STOCKHOLDERS, OR THE BOARD OF TRUSTEES AND MEMBERS AS THE CASE MAY BE, WHEN:

a. NOT QUALIFYING UNDER SECTION 136 (2) ABOVE, THE CORPORATION FAILS TO COMMENCE OR CONTINUE ITS BUSINESS OR THE CONSTRUCTION OF ITS WORKS AND ITS 15 CERTIFICATE OF INCORPORATION HAS NOT YET BEEN REVOKED IN ACCORDANCE WITH SECTION 22 OF THIS CODE, OR

b. FOR ANY OTHER REASON PROPOSED AND VOTED 19 UPON BY THEM AT A MEETING CALLED SPECIFICALLY FOR THAT PURPOSE.

4. BY ORDER OF THE COMMISSION WHEN THE CORPORATION:

a. FAILED TO COMMENCE OR CONTINUE ITS BUSINESS OR THE CONSTRUCTION OF ITS WORKS AND THE REVOCATION OF ITS CERTIFICATE OF INCORPORATION HAS ATTAINED FINALITY IN ACCORDANCE WITH SECTION 22 OF THIS CODE;

b. HAS BEEN FOUND TO HAVE PROCURED ITS ORGANIZATION

THROUGH FRAUD;

c. HAS BEEN FOUND TO HAVE BEEN CREATED FOR THE PURPOSE OF COMMITTING OR CONCEALING, OR AIDING IN THE COMMISSION OR CONCEALMENT OF, SECURITIES VIOLATIONS, SMUGGLING, TAX EVASION, MONEY LAUNDERING, OR GRAFT AND CORRUPT PRACTICES;

d. HAS BEEN FOUND TO HAVE COMMITTED OR AIDED IN THE COMMISSION OF SECURITIES VIOLATIONS, SMUGGLING, TAX EVASION, MONEY LAUNDERING, OR GRAFT AND CORRUPT PRACTICES, AND ITS STOCKHOLDERS KNEW OR WERE IN A POSITION TO KNOW ABOUT SUCH ILLEGAL ACTS;

e. FOR THE PURPOSE OF SHIELDING ITSELF FROM LIABILITY FOR GRAFT AND CORRUPT PRACTICES, HAS BEEN FOUND TO HAVE ENGAGED THE SERVICES OF AN INTERMEDIARY WHO COMMITS GRAFT AND CORRUPT PRACTICES FOR THE CORPORATION'S BENEFIT OR IN ITS INTEREST, AND ITS STOCKHOLDERS KNEW OR WERE IN A POSITION TO KNOW ABOUT THE ENGAGEMENT;

f. HAS BEEN FOUND TO HAVE REPEATEDLY AND KNOWINGLY TOLERATED THE COMMISSION OF GRAFT AND CORRUPT PRACTICES OR OTHER FRAUDULENT OR ILLEGAL ACTS BY ITS DIRECTORS, TRUSTEES, OFFICERS, OR EMPLOYEES, FAILING TO SANCTION THEM, REPORT THEIR ACTIONS TO THE PROPER AGENCIES, AND/OR FILE THE APPROPRIATE ACTION AGAINST THEM;

g. HAS BEEN FOUND TO HAVE REPEATEDLY AND WILLFULLY EXCEEDED THE AUTHORITY CONFERRED UPON IT BY LAW;

h. HAS BEEN FOUND TO HAVE REPEATEDLY AND WILLFULLY FALSIFIED, MISSTATED OR OTHERWISE MISREPRESENTED

	<p>INFORMATION CONTAINED IN ITS REPORTORIAL REQUIREMENTS;</p> <p>i. HAS BEEN FOUND TO HAVE REPEATEDLY AND WILLFULLY CONDUCTED ITS BUSINESS IN A FRAUDULENT OR OTHERWISE UNLAWFUL MANNER; OR</p> <p>j. HAS BEEN FOUND TO HAVE OTHERWISE VIOLATED THE PROVISIONS OF THIS CODE.</p> <p>5. BY ORDER OF THE COMMISSION WHEN, BY FINAL JUDGMENT, A COURT ORDERS THE DISSOLUTION OF THE CORPORATION.</p> <p>IN THE CASE OF EXPIRATION OF CORPORATE TERM UNDER SECTION 136 (1) ABOVE, DISSOLUTION SHALL AUTOMATICALLY TAKE EFFECT ON THE DAY FOLLOWING THE LAST DAY OF THE CORPORATE TERM STATED IN THE ARTICLES OF INCORPORATION, WITHOUT NEED FOR THE ISSUANCE BY THE COMMISSION OF A CERTIFICATE OF DISSOLUTION. IN ALL OTHER CASES, THE DISSOLUTION SHALL TAKE EFFECT ONLY UPON AND AS OF THE ISSUANCE BY THE COMMISSION OF A CERTIFICATE OF DISSOLUTION, AND SHALL BE WITHOUT PREJUDICE TO SECTION 141 OF THIS CODE.</p>	
<p>Section 118. <i>Voluntary dissolution where no creditors are affected.</i> – If dissolution of a corporation does not prejudice the rights of any creditor having a claim against it, the dissolution may be effected by majority vote of the board of directors or trustees, and by a resolution duly adopted by the affirmative vote of the stockholders owning at least two-thirds (2/3) of the outstanding capital stock or of at least two-thirds (2/3) of the members of a meeting to be held upon call of the directors or trustees after publication of the notice of time, place and object of the meeting for three (3) consecutive weeks in a newspaper published in the place where the principal office of said corporation is located; and if no newspaper is published in such place, then in a newspaper of general circulation in the Philippines, after sending such notice to each stockholder or member either by registered mail or by personal delivery at least thirty (30) days prior to said meeting. A copy of the resolution authorizing the dissolution shall be certified by a majority of the board of directors or trustees and countersigned by the secretary of the corporation. The Securities and Exchange Commission shall thereupon</p>	<p>Section 118 Section 137. <i>Voluntary dissolution</i> DISSOLUTION <i>where no creditors are affected;</i> PROCEDURE. – DISSOLUTION PURSUANT TO SECTION 136 (2) OF THIS CODE MAY BE MADE BY FILING A VERIFIED REQUEST FOR DISSOLUTION WITH THE COMMISSION:</p> <p>a. STATING THE NAME OF THE CORPORATION AND THE NAMES AND ADDRESSES OF THE INCORPORATORS AND DIRECTORS OR TRUSTEES;</p> <p>b. STATING THE REASON FOR THE DISSOLUTION OF THE CORPORATION;</p> <p>c. ATTESTING TO THE EXISTENCE AND CONCURRENCE OF ALL THE CONDITIONS SET FORTH IN SECTION 136 (2) (A) TO (D) OF THIS CODE;</p> <p>d. STATING THE NAMES OF THE INCORPORATORS, OR OF THE DIRECTORS OR TRUSTEES, CONSTITUTING A MAJORITY, WHO</p>	<p>- included a provision about the process of and requirements for the dissolution where no creditors are affected</p>

issue the certificate of dissolution.

APPROVED THE DISSOLUTION AND THE DATE, PLACE, AND TIME OF THE MEETING IN WHICH THE VOTE WAS MADE, WHICH REQUIREMENT MAY BE DISPENSED WITH IF THE REQUEST ITSELF IS DULY VERIFIED BY SUCH MAJORITY; AND

e. WHEN APPLICABLE, ATTACHING: (i) A LIST OF THE NAMES AND ADDRESSES OF THE PERSONS ENTITLED TO A RETURN OF PAID SUBSCRIPTIONS OR CONTRIBUTIONS AS SET FORTH IN SECTION 136 (2) (D), (ii) A SUMMARY OF THE AMOUNTS OF THEIR PAID SUBSCRIPTIONS OR CONTRIBUTIONS, (iii) A SUMMARY OF THE AMOUNTS DISBURSED FOR LAWFUL EXPENSES WITH COPIES OF THE OFFICIAL RECEIPTS THEREFOR, AND (iv) A SUMMARY OF THE AMOUNTS RETURNED WITH PROOF THAT THEY WERE DULY RECEIVED BY THOSE ENTITLED THERETO.

If dissolution of a corporation **PURSUANT TO SECTION 136 (3) OF THIS CODE** does not prejudice the rights of any creditor having a claim against it, the dissolution may be effected by majority vote of the board of directors or trustees, and by a resolution duly adopted by the affirmative vote of the stockholders owning at least two-thirds (2/3) of the outstanding capital stock or of at least two-thirds (2/3) of the members of a meeting to be held upon call of the directors or trustees.

AT LEAST THIRTY (30) DAYS PRIOR TO THE MEETING, NOTICE SHALL BE GIVEN TO EACH SHAREHOLDER OR MEMBER OF RECORD, WHETHER OR NOT ENTITLED TO VOTE AT THE MEETING, IN THE MANNER PROVIDED IN SECTION 50 OF THIS CODE AND SHALL STATE THAT THE PURPOSE OF THE MEETING IS TO VOTE ON THE DISSOLUTION OF THE CORPORATION. ~~after publication of the~~ Notice of **THE** time, place and object of the meeting **SHALL LIKEWISE BE MADE BY PUBLICATION** for three (3) consecutive weeks **PRIOR TO THE DATE OF THE MEETING** in a newspaper published in the place where the principal office of said corporation is located; and if no newspaper is published in such place, then in a newspaper of general circulation in the Philippines.

~~, after sending such notice to each stockholder or member either by registered mail or by personal delivery at least thirty (30) days prior to said meeting.~~

ONCE THE REQUIRED VOTES OF THE BOARD AND SHAREHOLDERS OR MEMBERS ARE ACHIEVED, A VERIFIED REQUEST FOR DISSOLUTION SHALL BE FILED WITH THE COMMISSION

a. STATING THE NAME OF THE CORPORATION AND THE NAMES AND ADDRESSES OF THE DIRECTORS OR TRUSTEES;

b. STATING THE REASON FOR THE DISSOLUTION OF THE CORPORATION;

c. CERTIFYING THAT NO CREDITOR SHALL BE PREJUDICED BY THE DISSOLUTION AND SUBSTANTIATING THE SAME WITH FINANCIAL STATEMENTS AND OTHER RECORDS;

d. STATING THE NAMES OF THE DIRECTORS OR TRUSTEES, CONSTITUTING A MAJORITY, WHO APPROVED THE DISSOLUTION AND THE DATE, PLACE, AND TIME OF THE MEETING IN WHICH THE VOTE WAS MADE;

e. STATING WHEN THE NOTICES TO SHAREHOLDERS OR MEMBERS WERE GIVEN, THE MANNER AND FORM IN WHICH THEY WERE GIVEN, THE DETAILS OF PUBLICATION AND ATTACHING PROOF THEREOF, AND THE DATE, PLACE, AND TIME OF THE MEETING IN WHICH THE VOTE WAS MADE; AND

f. ATTACHING THERETO a copy of the resolution authorizing the dissolution **WHICH** shall **HAVE BEEN** be certified by a majority of the board of directors or trustees and countersigned by the secretary of the corporation.

WITHIN FIFTEEN (15) DAYS FROM RECEIPT OF THE VERIFIED REQUEST FOR DISSOLUTION, AND IN THE ABSENCE OF ANY WITHDRAWAL WITHIN SAID PERIOD, The Securities and Exchange Commission shall APPROVE THE REQUEST AND thereupon issue the certificate of dissolution.

Section 119. *Voluntary dissolution where creditors are affected.* – Where the dissolution of a corporation may prejudice the rights of any creditor, the petition for dissolution shall be filed with the Securities and Exchange Commission. The petition shall be signed by a majority of its board of directors or trustees or other officers having the management of its affairs, verified by its president or secretary or one of its directors or trustees, and shall set forth all claims and demands against it, and that its dissolution was resolved upon by the affirmative vote of the stockholders representing at least two-thirds (2/3) of the outstanding capital stock or by at least two-thirds (2/3) of the members at a meeting of its stockholders or members called for that purpose.

If the petition is sufficient in form and substance, the Commission shall, by an order reciting the purpose of the petition, fix a date on or before which objections thereto may be filed by any person, which date shall not be less than thirty (30) days nor more than sixty (60) days after the entry of the order. Before such date, a copy of the order shall be published at least once a week for three (3) consecutive weeks in a newspaper of general circulation published in the municipality or city where the principal office of the corporation is situated, or if there be no such newspaper, then in a newspaper of general circulation in the Philippines, and a similar copy shall be posted for three (3) consecutive weeks in three (3) public places in such municipality or city.

Upon five (5) day's notice, given after the date on which the right to file objections as fixed in the order has expired, the Commission shall proceed to hear the petition and try any issue made by the objections filed; and if no such objection is sufficient, and the material allegations of the petition are true, it shall render judgment dissolving the corporation and directing such disposition of its assets as justice requires, and may appoint a receiver to collect such assets and pay the debts of the corporation.

~~Section 119~~ **Section 138.** *Voluntary dissolution* **DISSOLUTION** *where creditors are affected; PROCEDURE AND CONTENTS OF PETITION.* – Where the dissolution of a corporation may prejudice the rights of any creditor, ~~the petition~~ **A VERIFIED PETITION** for dissolution shall be filed with the ~~Securities and Exchange~~ Commission. The petition shall be signed by a majority of ~~its~~ **THE CORPORATION'S** board of directors or trustees or other officers having the management of its affairs, verified by its president or secretary or one of its directors or trustees, and shall set forth all claims and demands against it, and that its dissolution was resolved upon by the affirmative vote of the stockholders representing at least two-thirds (2/3) of the outstanding capital stock or by at least two-thirds (2/3) of the members at a meeting of its stockholders or members called for that purpose. **THE PETITION SHALL LIKEWISE STATE: (a) THE REASON FOR THE DISSOLUTION; (b) THE FORM, MANNER AND TIME WHEN THE NOTICES WERE GIVEN; AND (c) THE DATE, PLACE, AND TIME OF THE MEETING IN WHICH THE VOTE WAS MADE. THE PETITION SHALL HAVE AS ANNEXES (a) A COPY OF THE RESOLUTION AUTHORIZING THE DISSOLUTION, WHICH SHALL HAVE BEEN CERTIFIED BY A MAJORITY OF THE BOARD OF DIRECTORS OR TRUSTEES AND COUNTERSIGNED BY THE SECRETARY OF THE CORPORATION; AND (b) A LIST OF ALL ITS CREDITORS.**

If the petition is sufficient in form and substance, the Commission shall, by an order reciting the purpose of the petition, fix a date on or before which objections thereto may be filed by any person, which date shall not be less than thirty (30) days nor more than sixty (60) days after the entry of the order. Before such date, a copy of the order shall be published at least once a week for three (3) consecutive weeks in a newspaper of general circulation published in the municipality or city where the principal office of the corporation is situated, or if there be no such newspaper, then in a newspaper of general circulation in the Philippines, and a similar copy shall be posted for three (3) consecutive weeks in three (3) public places in such municipality or city.

Upon five (5) day's notice, given after the date on which the right to file objections as fixed in the order has expired, the Commission shall proceed to hear the petition and try any issue made by the objections filed; and if no such objection is sufficient, and the material allegations of the petition are true, it shall render judgment dissolving the corporation and directing such disposition of its assets as justice requires, and may appoint a receiver to

- included a guidelines as to the content of the petition

<p>Section 120. Dissolution by shortening corporate term. – A voluntary dissolution may be effected by amending the articles of incorporation to shorten the corporate term pursuant to the provisions of this Code. A copy of the amended articles of incorporation shall be submitted to the Securities and Exchange Commission in accordance with this Code. Upon approval of the amended articles of incorporation of the expiration of the shortened term, as the case may be, the corporation shall be deemed dissolved without any further proceedings, subject to the provisions of this Code on liquidation.</p>	<p>collect such assets and pay the debts of the corporation.</p> <p>Section 120 139. WITHDRAWAL OF REQUEST FOR <i>Dissolution by shortening corporate term</i> AND WITHDRAWAL OF PETITION FOR DISSOLUTION. – A voluntary dissolution may be effected by amending the articles of incorporation to shorten the corporate term pursuant to the provisions of this Code. A copy of the amended articles of incorporation shall be submitted to the Securities and Exchange Commission in accordance with this Code. Upon approval of the amended articles of incorporation of the expiration of the shortened term, as the case may be, the corporation shall be deemed dissolved without any further proceedings, subject to the provisions of this Code on liquidation.</p> <p>A WITHDRAWAL OF THE REQUEST FOR DISSOLUTION SHALL:</p> <p>a. BE MADE IN WRITING;</p> <p>b. BE DULY VERIFIED BY ANY INCORPORATOR, DIRECTOR, SHAREHOLDER OR MEMBER;</p> <p>c. HAVE THE SIGNATURES OF THE SAME NUMBER OF INCORPORATORS, DIRECTORS, SHAREHOLDERS OR MEMBERS NECESSARY TO REQUEST FOR A DISSOLUTION AS SET FORTH IN THE FOREGOING SECTIONS; AND</p> <p>d. BE SUBMITTED WITHIN FIFTEEN (15) DAYS FROM THE RECEIPT BY THE COMMISSION OF THE REQUEST FOR DISSOLUTION.</p> <p>UPON RECEIPT OF A DULY SUBMITTED WITHDRAWAL OF REQUEST FOR DISSOLUTION, THE COMMISSION SHALL WITHHOLD ACTION ON THE REQUEST FOR DISSOLUTION AND SHALL, AFTER INVESTIGATION, ISSUE AN ORDER:</p> <p>a. WITHHOLDING THE ISSUANCE OF THE CERTIFICATE OF DISSOLUTION AND DEEMING THE REQUEST FOR DISSOLUTION WITHDRAWN; OR</p> <p>b. DIRECTING THAT A JOINT MEETING OF THE BOARD AND OF THE</p>	<p>- removed the provision regarding the guidelines on dissolution by shortening corporate term and incorporated this to previous section</p> <p>- replaced this section by guidelines on the withdrawal of request for dissolution and withdrawal of petition for dissolution</p>
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	<p>STOCKHOLDERS BE HELD FOR THE PURPOSE OF ASCERTAINING WHETHER OR NOT TO PROCEED WITH DISSOLUTION.</p> <p>THE COMMISSION SHALL HAVE THE POWER TO ISSUE SUCH ORDERS AS MAY BE APPROPRIATE, INCLUDING, WITHOUT LIMITATION, ORDERS DESIGNATING THE TIME AND PLACE OF THE JOINT MEETING, DIRECTING THE SENDING OF NOTICES, AND SPECIFYING THE FORM OF SUCH NOTICE. THE CONDUCT OF THE JOINT MEETING SHALL BE SUPERVISED BY THE COMMISSION THROUGH A DULY AUTHORIZED REPRESENTATIVE WHO SHALL, IMMEDIATELY AFTER THE JOINT MEETING, CERTIFY ITS OUTCOME WITH A RECOMMENDATION AS TO WHETHER THE CERTIFICATE OF DISSOLUTION SHOULD BE ISSUED OR THE REQUEST FOR DISSOLUTION BE DEEMED ABANDONED. THEREAFTER, THE COMMISSION SHALL ISSUE AN ORDER EITHER APPROVING THE WITHDRAWAL OF THE REQUEST OR A CERTIFICATE OF DISSOLUTION OR PROCEEDING TO ACT ON SUCH REQUEST.</p> <p>A MOTION FOR THE WITHDRAWAL OF THE PETITION FOR DISSOLUTION SHALL BE SIMILAR IN SUBSTANCE AS A WITHDRAWAL OF REQUEST FOR DISSOLUTION BUT SHALL BE VERIFIED AND FILED PRIOR TO PUBLICATION OF THE ORDER SETTING THE DATE FOR OBJECTIONS TO THE PETITION. THE COMMISSION SHALL RESOLVE THE MOTION WITHIN THE SAME PROCEEDINGS AS THE PETITION AND ISSUE AN ORDER DEEMING THE PETITION WITHDRAWN OR DENYING THE WITHDRAWAL AND PROCEEDING TO HEAR OBJECTIONS ON THE PETITION.</p>	
<p>Section 121. Involuntary dissolution. – A corporation may be dissolved by the Securities and Exchange Commission upon filing of a verified complaint and after proper notice and hearing on the grounds provided by existing laws, rules and regulations.</p>	<p>Section 121 140. Involuntary dissolution DISSOLUTION BY THE COMMISSION. – A corporation may be dissolved by the Securities and Exchange Commission DISSOLUTION PROCEEDINGS PURSUANT TO THE GROUNDS SET FORTH IN SECTION 136 (4) AND (5), SECTION 173, OR WHEN PROVIDED IN OTHER LAWS, RULES AND REGULATIONS, MAY BE COMMENCED BY THE Commission MOTU PROPRIO OR upon filing of a verified complaint BY ANY INTERESTED PARTY. and after</p> <p>AFTER proper notice and hearing, THE COMMISSION MAY DISSOLVE THE CORPORATION OR ISSUE SUCH OTHER ORDER AS IT MAY DEEM APPROPRIATE IN ACCORDANCE WITH THE PROVISIONS OF THIS CODE OR THE RULES AND REGULATIONS OF THE</p>	<p>- included further guidelines as to the dissolution of the corporation by the SEC</p>

	<p>COMMISSION.</p> <p>IF THE CORPORATION IS DISSOLVED BY THE COMMISSION PURSUANT TO ANY OF THE GROUNDS SET FORTH IN SECTION 136 (4) (B) TO (I), ITS ASSETS, AFTER PAYMENT OF ITS OUTSTANDING LIABILITIES, SHALL BE FORFEITED IN FAVOR OF THE COMMISSION. SUCH FORFEITURE SHALL BE WITHOUT PREJUDICE TO ANY OTHER PENALTY OR SANCTION FOR THOSE LIABLE UNDER THIS CODE OR OTHER LAWS. on the grounds provided by existing laws, rules and regulations.</p>	
<p>Section 122. Corporate liquidation. – Every corporation whose charter expires by its own limitation or is annulled by forfeiture or otherwise, or whose corporate existence for other purposes is terminated in any other manner, shall nevertheless be continued as a body corporate for three (3) years after the time when it would have been so dissolved, for the purpose of prosecuting and defending suits by or against it and enabling it to settle and close its affairs, to dispose of and convey its property and to distribute its assets, but not for the purpose of continuing the business for which it was established.</p> <p>At any time during said three (3) years, the corporation is authorized and empowered to convey all of its property to trustees for the benefit of stockholders, members, creditors, and other persons in interest. From and after any such conveyance by the corporation of its property in trust for the benefit of its stockholders, members, creditors and others in interest, all interest which the corporation had in the property terminates, the legal interest vests in the trustees, and the beneficial interest in the stockholders, members, creditors or other persons in interest.</p> <p>Upon the winding up of the corporate affairs, any asset distributable to any creditor or stockholder or member who is unknown or cannot be found shall be escheated to the city or municipality where such assets are located.</p> <p>Except by decrease of capital stock and as otherwise allowed by this Code, no corporation shall distribute any of its assets or property except upon lawful dissolution and after payment of all its debts and liabilities.</p>	<p>Section 422 141. Corporate liquidation. – Every corporation whose charter expires by its own limitation or is annulled by forfeiture or otherwise, or whose corporate existence for other purposes is terminated in any other manner, shall nevertheless be continued as a body corporate for three (3) years after the time when it would have been so dissolved EFFECTIVE DATE OF DISSOLUTION AS PROVIDED IN SECTION 136 OF THIS CODE, for the purpose of prosecuting and defending suits by or against it and enabling it to settle and close its affairs, to dispose of and convey its property and to distribute its assets, but not for the purpose of continuing the business for which it was established.</p> <p>At any time during said three (3) years, the corporation is authorized and empowered to convey all of its property to trustees for the benefit of stockholders, members, creditors, and other persons in interest. From and after any such conveyance by the corporation of its property in trust for the benefit of its stockholders, members, creditors and others in interest, all interest which the corporation had in the property terminates, the legal interest vests in the trustees, and the beneficial interest in the stockholders, members, creditors or other persons in interest.</p> <p>EXCEPT AS OTHERWISE PROVIDED FOR IN SECTIONS 95 AND 96 OF THIS CODE, upon the winding up of the corporate affairs, any asset distributable to any creditor or stockholder or member who is unknown or cannot be found shall be escheated to the city or municipality where such assets are located IN FAVOR OF THE NATIONAL GOVERNMENT.</p> <p>Except by decrease of capital stock and as otherwise allowed by this Code, no corporation shall distribute any of its assets or property except upon lawful dissolution and after payment of all its debts and liabilities</p>	<p>- revised to indicate that in case of any asset distributable to unknown stockholder or member, such will be distributed in favor of the national government rather than city or municipality where such assets are located</p>

<p>Section 125 is amended to delete “Securities and Exchange” from “Securities and Exchange Commission” in each instance. Further, Sections 123, 124 and 125 of the Code are renumbered as Sections 142, 143 and 144, respectively.</p>	
<p>Section 126. <i>Issuance of a license.</i> – If the Securities and Exchange Commission is satisfied that the applicant has complied with all the requirements of this Code and other special laws, rules and regulations, the Commission shall issue a license to the applicant to transact business in the Philippines for the purpose or purposes specified in such license. Upon issuance of the license, such foreign corporation may commence to transact business in the Philippines and continue to do so for as long as it retains its authority to act as a corporation under the laws of the country or state of its incorporation, unless such license is sooner surrendered, revoked, suspended or annulled in accordance with this Code or other special laws.</p> <p>Within sixty (60) days after the issuance of the license to transact business in the Philippines, the license, except foreign banking or insurance corporation, shall deposit with the Securities and Exchange Commission for the benefit of present and future creditors of the licensee in the Philippines, securities satisfactory to the Securities and Exchange Commission, consisting of bonds or other evidence of indebtedness of the Government of the Philippines, its political subdivisions and instrumentalities, or of government-owned or controlled corporations and entities, shares of stock in “registered enterprises” as this term is defined in Republic Act No. 5186, shares of stock in domestic corporations registered in the stock exchange, or shares of stock in domestic insurance companies and banks, or any combination of these kinds of securities, with an actual market value of at least one hundred thousand (P100,000.) pesos; Provided, however, That within six (6) months after each fiscal year of the licensee, the Securities and Exchange Commission shall require the licensee to deposit additional securities equivalent in actual market value to two (2%) percent of the amount by which the licensee’s gross income for that fiscal year exceeds five million (P5,000,000.00) pesos. The Securities and Exchange Commission shall also require deposit of additional securities if the actual market value of the securities on deposit has decreased by at least ten (10%) percent of their actual market value at the time they were deposited. The Securities and Exchange Commission may at its discretion release part of the additional securities deposited with it if the gross income of the licensee has decreased, or if the actual market value of the total securities on deposit has increased, by more than ten (10%) percent of the actual market value of the securities at the time they were deposited. The</p>	<p>Section 145. <i>Issuance of a license.</i> – If the Securities and Exchange Commission is satisfied that the applicant has complied with all the requirements of this Code and other special laws, rules and regulations, the Commission shall issue a license to the applicant to transact business in the Philippines for the purpose or purposes specified in such license. Upon issuance of the license, such foreign corporation may commence to transact business in the Philippines and continue to do so for as long as it retains its authority to act as a corporation under the laws of the country or state of its incorporation, unless such license is sooner surrendered, revoked, suspended or annulled in accordance with this Code or other special laws.</p> <p>Within sixty (60) days after the issuance of the license to transact business in the Philippines, the license, except foreign banking or insurance corporation, shall deposit with the Securities and Exchange Commission for the benefit of present and future creditors of the licensee in the Philippines, securities satisfactory to the Securities and Exchange Commission, consisting of bonds or other evidence of indebtedness of the Government of the Philippines, its political subdivisions and instrumentalities, or of government-owned or controlled corporations and entities, shares of stock OR DEBT SECURITIES THAT ARE REGISTERED UNDER THE SECURITIES REGULATION CODE in “registered enterprises” as this term is defined in Republic Act No. 5186, shares of stock in domestic corporations registered LISTED in the stock exchange, or shares of stock in domestic insurance companies and banks, OR ANY FINANCIAL INSTRUMENT DETERMINED SUITABLE BY THE COMMISSION, or any combination THEREOF of these kinds of securities, with an actual market value of at least one FIVE hundred thousand (P400,000.) (P500,000.) pesos OR SUCH OTHER AMOUNT THAT MAY BE SET BY THE COMMISSION; Provided, however, That within six (6) months after each fiscal year of the licensee, the Securities and Exchange Commission shall require the licensee to deposit additional securities equivalent in actual market value to two (2%) percent of the amount by which the licensee’s gross income for that fiscal year exceeds five TEN million (P5,000,000.00) (P10,000,000.) pesos. The Securities and Exchange Commission shall also require THE deposit of additional securities OR FINANCIAL INSTRUMENTS if the actual market value of the securities OR FINANCIAL INSTRUMENTS on deposit has decreased by at least ten (10%) percent of</p> <ul style="list-style-type: none"> - revised the initial amount of the securities deposit from Php100k to Php500k - revised the based amount of gross income for the additional securities deposit from Php5M to 10M - included a reference to the guidelines on securities deposit issued by the SEC

<p>Securities and Exchange Commission may, from time to time, allow the licensee to substitute other securities for those already on deposit as long as the licensee is solvent. Such licensee shall be entitled to collect the interest or dividends on the securities deposited. In the event the licensee ceases to do business in the Philippines, the securities deposited as aforesaid shall be returned, upon the licensee's application therefor and upon proof to the satisfaction of the Securities and Exchange Commission that the licensee has no liability to Philippine residents, including the Government of the Republic of the Philippines.</p>	<p>their actual market value at the time they were deposited. The Securities and Exchange Commission may at its discretion release part of the additional securities deposited with it if the gross income of the licensee has decreased, or if the actual market value of the total securities on deposit has increased, by more than ten (10%) percent of the IR actual market value of the securities at the time they were deposited. The Securities and Exchange Commission may, from time to time, allow the licensee to MAKE substitute DEPOSITS other securities for those already on deposit as long as the licensee is solvent. Such licensee shall be entitled to collect the interest or dividends on the SUCH securities deposited. In the event the licensee ceases to do business in the Philippines, ITS the securities deposited as aforesaid shall be returned, upon the licensee's application therefor and upon proof to the satisfaction of the Securities and Exchange Commission that the licensee has no liability to Philippine residents, including the Government of the Republic of the Philippines. FOR PURPOSES OF COMPUTING THE SECURITIES DEPOSIT, THE COMPOSITION OF GROSS INCOME AND ALLOWABLE DEDUCTIONS THEREFROM SHALL BE IN ACCORDANCE WITH THE RULES OF THE COMMISSION.</p>	
<p>Sections 128, 130, 131, 132, 134, 135, and 136 of the Code are amended to delete "Securities and Exchange" from "Securities and Exchange Commission" in each instance. Further, Sections 127 to 136 are hereby renumbered as Sections 146 to 155 accordingly.</p>		
<p>(A NEW TITLE IS INSERTED IN THE CODE CONTAINING SECTIONS 156 TO 172)</p>	<p>TITLE XVI – INVESTIGATIONS, OFFENSES AND PENALTIES</p> <p>“Sec. 156. INVESTIGATION AND PROSECUTION OF OFFENSES. – THE COMMISSION MAY, UPON COMPLAINT OR MOTU PROPRIO, MAKE SUCH INVESTIGATIONS AS IT DEEMS NECESSARY TO DETERMINE WHETHER ANY PERSON HAS VIOLATED OR IS ABOUT TO VIOLATE ANY PROVISION OF THIS CODE, ANY RULE, REGULATION OR ORDER THEREUNDER, AND MAY REQUIRE OR PERMIT ANY PERSON TO FILE WITH IT A STATEMENT IN WRITING, UNDER OATH OR OTHERWISE, AS THE COMMISSION SHALL DETERMINE, AS TO ALL FACTS AND CIRCUMSTANCES CONCERNING THE MATTER TO BE INVESTIGATED.</p> <p>THE COMMISSION MAY PUBLISH INFORMATION CONCERNING ANY SUCH VIOLATIONS, AND TO INVESTIGATE ANY FACT, CONDITION, PRACTICE OR MATTER WHICH IT MAY DEEM NECESSARY OR PROPER TO AID IN THE ENFORCEMENT OF THE PROVISIONS OF</p>	<p>- included additional title for the guidelines and procedure regarding investigations, offenses and penalties to be imposed by the SEC</p>

THIS CODE, IN THE PRESCRIBING OF RULES AND REGULATIONS THEREUNDER, OR IN SECURING INFORMATION TO SERVE AS A BASIS FOR RECOMMENDING FURTHER LEGISLATION CONCERNING THE MATTERS TO WHICH THIS CODE RELATES: PROVIDED, HOWEVER, THAT ANY PERSON REQUESTED OR SUBPOENAED TO PRODUCE DOCUMENTS OR TESTIFY IN ANY INVESTIGATION SHALL SIMULTANEOUSLY BE NOTIFIED IN WRITING OF THE PURPOSE OF SUCH INVESTIGATION: PROVIDED, FURTHER, THAT ALL CRIMINAL COMPLAINTS FOR VIOLATION OF THIS CODE, AND THE IMPLEMENTING RULES AND REGULATIONS ENFORCED OR ADMINISTERED BY THE COMMISSION SHALL BE REFERRED TO THE DEPARTMENT OF JUSTICE FOR PRELIMINARY INVESTIGATION AND PROSECUTION BEFORE THE PROPER COURT: PROVIDED, FURTHERMORE, THAT IN INSTANCES WHERE THE LAW ALLOWS INDEPENDENT CIVIL OR CRIMINAL PROCEEDINGS OF VIOLATIONS ARISING FROM THE SAME ACT, THE COMMISSION SHALL TAKE APPROPRIATE ACTION TO IMPLEMENT THE SAME.

SEC. 157. ADMINISTRATION OF OATHS, AND SUBPOENA OF WITNESSES AND DOCUMENTS. – FOR THE PURPOSE OF THE INVESTIGATIONS IN THE PRECEDING SECTION, OR ANY OTHER PROCEEDING UNDER THIS CODE, THE COMMISSION OR ANY OFFICER DESIGNATED BY IT IS EMPOWERED TO ADMINISTER OATHS AND AFFIRMATIONS, SUBPOENA WITNESSES, COMPEL ATTENDANCE, TAKE EVIDENCE, REQUIRE THE PRODUCTION OF ANY BOOK, PAPER, CORRESPONDENCE, MEMORANDUM, OR OTHER RECORD WHICH THE COMMISSION DEEMS RELEVANT OR MATERIAL TO THE INQUIRY, AND TO PERFORM SUCH OTHER ACTS NECESSARY IN THE CONDUCT OF SUCH INVESTIGATION OR PROCEEDINGS.

SECTION 158. CEASE AND DESIST ORDERS. – WHENEVER IT SHALL APPEAR TO THE COMMISSION THAT ANY PERSON HAS ENGAGED OR IS ABOUT TO ENGAGE IN ANY ACT OR PRACTICE CONSTITUTING A VIOLATION OF ANY PROVISION OF THIS CODE, ANY RULE, REGULATION OR ORDER THEREUNDER, IT MAY ISSUE AN ORDER FOR SUCH PERSON TO DESIST FROM COMMITTING SUCH ACT OR PRACTICE. AFTER FINDING THAT SUCH PERSON HAS ENGAGED IN ANY SUCH ACT OR PRACTICE AND THAT THERE IS A REASONABLE LIKELIHOOD OF SUCH PERSON CONTINUING FURTHER OR FUTURE

VIOLATIONS, THE COMMISSION MAY ISSUE, EX PARTE A CEASE AND DESIST ORDER ENJOINING SUCH PERSON FROM FURTHER OR FUTURE VIOLATIONS FOR A MAXIMUM PERIOD OF TWENTY (20) DAYS.

THEREAFTER, THE COMMISSION MAY PROCEED ADMINISTRATIVELY AGAINST SUCH PERSON IN ACCORDANCE WITH SECTION 160, AND/OR TRANSMIT SUCH EVIDENCE AS MAY BE AVAILABLE CONCERNING ANY VIOLATION OF ANY PROVISION OF THIS CODE, OR ANY RULE, REGULATION OR ORDER THEREUNDER, TO THE DEPARTMENT OF JUSTICE, WHICH MAY INSTITUTE THE APPROPRIATE CRIMINAL PROCEEDINGS UNDER THIS CODE, AND/OR TO THE PROPER COURT, TRIBUNAL, OR QUASI-JUDICIAL AGENCY IN INSTANCES WHERE THE LAW ALLOWS INDEPENDENT CIVIL OR CRIMINAL PROCEEDINGS OF VIOLATIONS ARISING FROM THE SAME ACT.

SEC. 159. CONTEMPT. – ANY PERSON WHO, WITHIN HIS POWER BUT WITHOUT JUSTIFIABLE OR LAWFUL CAUSE, FAILS OR REFUSES TO COMPLY WITH ANY LAWFUL ORDER, DECISION OR SUBPOENA ISSUED BY THE COMMISSION SHALL, AFTER DUE NOTICE AND HEARING, BE GUILTY OF CONTEMPT OF THE COMMISSION. SUCH PERSON SHALL BE FINED IN SUCH AMOUNT AS THE COMMISSION MAY DETERMINE. WHEN THE FAILURE OR REFUSAL IS A CLEAR AND OPEN DEFIANCE OF THE COMMISSION’S ORDER, DECISION OR SUBPOENA, THE PERSON SHALL BE FINED ON A DAILY BASIS IN AN AMOUNT THE COMMISSION MAY DETERMINE AND DETAINED UNDER AN ARREST ORDER ISSUED BY THE COMMISSION UNTIL SUCH ORDER, DECISION OR SUBPOENA IS COMPLIED WITH.

SEC. 160. ADMINISTRATIVE SANCTIONS. – IF, AFTER DUE NOTICE AND HEARING INITIATED EITHER BY COMPLAINT OR MOTU PROPRIO, THE COMMISSION FINDS THAT ANY PROVISION OF THIS CODE, OR ANY OF THE COMMISSION’S RULES OR ORDERS HAS BEEN VIOLATED, THE COMMISSION MAY IMPOSE ANY OR ALL OF THE FOLLOWING SANCTIONS ON THOSE FOUND RESPONSIBLE FOR THE VIOLATION:

(A) A FINE RANGING FROM FIVE THOUSAND PESOS (PHP5,000.00) TO TWO MILLION PESOS (PHP2,000,000.00) PLUS NOT MORE THAN ONE THOUSAND PESOS (PHP1,000.00) FOR EACH DAY OF CONTINUING VIOLATION, IN NO CASE TO EXCEED TWO MILLION PESOS (PHP2,000,000.00);

(B) ARREST AND DETENTION IN CONNECTION WITH ITS CONTEMPT POWER UNDER SECTION 159;

(C) SUSPENSION OR REVOCATION OF THE CERTIFICATE OF INCORPORATION;

(D) DISSOLUTION OF THE CORPORATION AND FORFEITURE OF ITS ASSETS UNDER THE CONDITIONS IN TITLE XV OF THIS CODE; AND

(E) OTHER PENALTIES WITHIN THE POWER OF THE COMMISSION TO IMPOSE OR AS PRESCRIBED IN ITS RULES AND REGULATIONS.

THE IMPOSITION OF THE FOREGOING ADMINISTRATIVE SANCTIONS SHALL BE WITHOUT PREJUDICE TO THE FILING OF CIVIL COMPLAINTS AND/OR CRIMINAL CHARGES UNDER THIS CODE AND OTHER LAWS AGAINST THE CORPORATION AND/OR THOSE RESPONSIBLE FOR THE VIOLATION, IN INSTANCES WHERE THE LAW ALLOWS INDEPENDENT CIVIL OR CRIMINAL PROCEEDINGS OF VIOLATIONS ARISING FROM THE SAME ACT.

SEC. 161. CONTINUED AND UNJUSTIFIED USE OF FORMER CORPORATE NAME; PENALTIES. – A CORPORATION THAT CONTINUES TO USE A CORPORATE NAME ALREADY PREVIOUSLY REMOVED FROM REGISTRATION OR RESERVATION SHALL BE PUNISHED WITH A FINE RANGING FROM FIFTY THOUSAND PESOS (PHP50,000.00) TO TWO HUNDRED THOUSAND PESOS (PHP200,000.00) AND/OR IMPRISONMENT OF SIX (6) MONTHS TO TWO (2) YEARS AT THE DISCRETION OF THE COURT; PROVIDED THAT THE CORPORATION MAY CLAIM THE DEFENSE THAT IT, OR ANY OF ITS STOCKHOLDERS OR OTHER DIRECTORS/OFFICERS EXERTED REASONABLE EFFORTS AGAINST THE CONTINUED AND

UNJUSTIFIED USE OF THE FORMER CORPORATE NAME, IN WHICH CASE ONLY THE RESPONSIBLE DIRECTORS/OFFICERS SHALL BE HELD CRIMINALLY LIABLE UNDER THIS PROVISION.

Sec. 162. *CONCEALMENT OF DISQUALIFICATION; PENALTIES.* – EACH WILLFUL OR DELIBERATE CONCEALMENT BY A DIRECTOR OR TRUSTEE OF ANY DISQUALIFICATION UNDER SECTION 27 ALREADY EXISTING AT THE TIME HE ACCEPTED THE POST, SHALL BE PUNISHED BY A FINE RANGING FROM FIFTY THOUSAND PESOS (PHP50,000.00) TO TWO HUNDRED THOUSAND PESOS (PHP200,000.00) AND/OR IMPRISONMENT OF SIX (6) MONTHS TO TWO (2) YEARS AT THE DISCRETION OF THE COURT, AND BY A PERMANENT DISQUALIFICATION FROM FURTHER ACTING AS DIRECTOR OF ANY CORPORATION. FOR PURPOSES OF THIS SECTION, CONCEALMENT SHALL BE WILLFUL OR DELIBERATE WHEN, DESPITE HAVING KNOWLEDGE OF THE EXISTENCE OF THE DISQUALIFICATION, THE DIRECTOR OR TRUSTEE ACCEPTS THE POST.

Sec. 163. *VIOLATION OF DUTY TO KEEP OR MAINTAIN RECORDS AND/OR ALLOW THEIR INSPECTION OR REPRODUCTION; PENALTIES.* – THE UNJUSTIFIED FAILURE OR REFUSAL BY THE CORPORATION, OR BY THOSE RESPONSIBLE FOR KEEPING AND MAINTAINING THE CORPORATION'S RECORDS, TO COMPLY WITH SECTIONS 46, 74, 93, 180 AND OTHER PROVISIONS OF THIS CODE AND THE RULES OF THE COMMISSION WITH RESPECT TO THE RETENTION, MAINTENANCE AND KEEPING OF RECORDS AND ALLOWING THEIR INSPECTION OR REPRODUCTION, AS THE CASE MAY BE, SHALL BE PUNISHED WITH A FINE RANGING FROM FIFTY THOUSAND PESOS (PHP50,000.00) TO FIVE HUNDRED THOUSAND PESOS (PHP500,000.00) AND IMPRISONMENT OF THIRTY (30) DAYS TO TWO (2) YEARS AT THE DISCRETION OF THE COURT. THE PENALTIES IMPOSED UNDER THIS SECTION SHALL BE IN ADDITION TO THE SANCTIONS IMPOSED BY THE COMMISSION IN THE EXERCISE OF ITS CONTEMPT POWERS UNDER SECTION 159 TO COMPEL COMPLIANCE WITH THE DUTIES UNDER THE MENTIONED PROVISIONS.

SEC. 164. *KNOWING OR WILLFUL CERTIFICATION OF INCOMPLETE, INACCURATE, FALSE OR MISLEADING STATEMENTS OR REPORTS;*

PENALTIES. – ANY PERSON WHO CERTIFIES ANY REPORT OR MATTER AS SET FORTH IN THIS CODE KNOWING, OR BEING IN A POSITION TO KNOW, THAT THE SAME IS INCOMPLETE, INACCURATE, OR CONTAINS FALSE OR MISLEADING INFORMATION OR STATEMENTS SHALL BE PUNISHED WITH A FINE RANGING FROM TWO HUNDRED THOUSAND PESOS (PHP200,000.00) TO TWO MILLION PESOS (PHP2,000,000.00) AND/OR IMPRISONMENT OF TWO (2) TO TEN (10) YEARS. WHEN THE VIOLATION IS WILLFUL, THE PENALTY SHALL BE A FINE RANGING FROM FOUR HUNDRED THOUSAND PESOS (PHP400,000.00) TO FOUR MILLION PESOS (PHP4,000,000.00) AND/OR IMPRISONMENT OF FOUR (4) TO TWENTY (20) YEARS.

SEC. 165. INDEPENDENT AUDITOR COLLUSION; PENALTIES. – WHEN AN INDEPENDENT AUDITOR COLLUDES WITH A CORPORATION OR ITS REPRESENTATIVES AND CERTIFIES THE CORPORATION'S FINANCIAL STATEMENTS WHICH ARE EITHER INCOMPLETE OR WHICH CONTAIN INACCURATE, FALSE OR MISLEADING STATEMENTS OR REPORTS, OR WHICH DO NOT GIVE A FAIR AND ACCURATE PRESENTATION OF THE CORPORATION'S CONDITION, SUCH AUDITOR SHALL BE PUNISHED WITH A FINE RANGING FROM FOUR HUNDRED THOUSAND PESOS (PHP400,000.00) TO FOUR MILLION PESOS (PHP4,000,000.00) AND/OR IMPRISONMENT OF FOUR (4) TO TWENTY (20) YEARS.

SEC. 166. PROCURING THE ORGANIZATION OF A CORPORATION THROUGH FRAUD; PENALTIES. – THOSE RESPONSIBLE FOR PROCURING THE ORGANIZATION OF A CORPORATION THROUGH FRAUD, OR ASSISTING DIRECTLY OR INDIRECTLY THEREIN, SHALL BE PUNISHED WITH A FINE RANGING FROM FIVE HUNDRED THOUSAND PESOS (PHP500,000.00) TO TWO MILLION PESOS (PHP2,000,000.00) AND/OR IMPRISONMENT OF TWO (2) TO TEN (10) YEARS AT THE DISCRETION OF THE COURT.

Sec. 167. FRAUDULENT OR UNLAWFUL CONDUCT OF BUSINESS; PENALTIES. – A CORPORATION THAT WILLFULLY CONDUCTS ITS BUSINESS IN A FRAUDULENT OR OTHERWISE UNLAWFUL MANNER SHALL BE PUNISHED WITH A FINE RANGING FROM FIVE HUNDRED THOUSAND PESOS (PHP500,000.00) TO TWO MILLION PESOS (PHP2,000,000.00) AND/OR IMPRISONMENT OF FIVE (5) TO TEN (10)

YEARS AT THE DISCRETION OF THE COURT.

Sec. 168. THEFT OF IDENTITY; PENALTIES. – ANY CORPORATION WHO WILLFULLY OBTAINS ANY IDENTIFYING INFORMATION OF A PERSON, WHETHER NATURAL OR JURIDICAL, AND USES THAT INFORMATION FOR ANY UNLAWFUL PURPOSE, INCLUDING BUT NOT LIMITED TO OBTAINING, OR ATTEMPTING TO OBTAIN, CREDIT, GOODS, SERVICES, OR REAL PROPERTY WITHOUT THE CONSENT OF THAT PERSON, SHALL BE PUNISHED WITH A FINE RANGING FROM ONE MILLION PESOS (PHP1,000,000.00) TO FIVE MILLION PESOS (PHP5,000,000.00) AND IMPRISONMENT OF TEN (10) YEARS. THE SAME PENALTY SHALL BE IMPOSED WHEN THE OFFENDER IS A NATURAL PERSON, OR A GROUP THEREOF, AND THE IDENTITY STOLEN IS THAT OF A CORPORATION.

Sec. 169. ACTING AS INTERMEDIARIES FOR GRAFT AND CORRUPT PRACTICES; PENALTIES. – A CORPORATION CREATED FOR THE PURPOSE OF COMMITTING, OR AIDING IN THE COMMISSION OF, GRAFT AND CORRUPT PRACTICES OR IN THE CONCEALMENT THEREOF SHALL BE PUNISHED BY A FINE RANGING FROM ONE MILLION (PHP1,000,000.00) TO FIVE MILLION (PHP5,000,000.00) PESOS AND IMPRISONMENT OF TEN (10) YEARS. THE CORPORATION'S FAILURE TO SHOW THAT IT HAS INSTALLED SAFEGUARDS TO ENSURE THAT IT IS CARRYING OUT ITS SERVICES IN A TRANSPARENT AND LAWFUL MANNER, AND THAT IT HAS INSTALLED POLICIES, CODES OF ETHICS AND PROCEDURES AGAINST GRAFT AND CORRUPTION, WHEN COUPLED WITH A FINDING OF GRAFT AND CORRUPT PRACTICES AGAINST ANY OF THEIR DIRECTORS, OFFICER, EMPLOYEES, AGENTS, OR REPRESENTATIVES, SHALL BE PRIMA FACIE EVIDENCE OF LIABILITY UNDER THIS SECTION.

Sec. 170. ENGAGING INTERMEDIARIES FOR GRAFT AND CORRUPT PRACTICES; PENALTIES. – A CORPORATION THAT, FOR THE PURPOSE OF SHIELDING ITSELF FROM LIABILITY FOR GRAFT AND CORRUPT PRACTICES, ENGAGES THE SERVICES OF AN INTERMEDIARY WHO COMMITS GRAFT AND CORRUPT PRACTICES FOR THE CORPORATION'S BENEFIT OR IN ITS INTEREST, SHALL BE PUNISHED BY A FINE OF ONE MILLION PESOS (PHP1,000,000.00) AND IMPRISONMENT OF TEN (10) YEARS.

	<p>THE CORPORATION'S FAILURE TO SHOW THAT IT HAS USED THE HIGHEST DEGREE OF DILIGENCE AND CARE WHEN ACQUIRING THE SERVICES OF AN INTERMEDIARY, THAT IT HAS SUFFICIENT KNOWLEDGE AND HAS INSTALLED SAFEGUARDS TO ENSURE THAT THE INTERMEDIARY IS CARRYING OUT THE CONTRACTED SERVICES IN A TRANSPARENT AND LAWFUL MANNER, AND THAT IT HAS INSTALLED POLICIES, CODES OF ETHICS AND PROCEDURES DESIGNED TO PREVENT GRAFT AND CORRUPTION, WHEN COUPLED WITH A FINDING OF GRAFT AND CORRUPT PRACTICES AGAINST THE INTERMEDIARY, SHALL BE PRIMA FACIE EVIDENCE OF LIABILITY UNDER THIS SECTION.</p> <p>Sec. 171. TOLERATING GRAFT AND CORRUPT PRACTICES; PENALTIES. – A DIRECTOR, TRUSTEE, OR OFFICER OF THE CORPORATION WHO KNOWINGLY ALLOWS OR TOLERATES THE COMMISSION OF GRAFT AND CORRUPT PRACTICES OR OTHER FRAUDULENT ACTS BY ITS DIRECTORS, TRUSTEES, OFFICERS, OR EMPLOYEES, FAILING TO SANCTION THEM, REPORT THEIR ACTIONS TO THE PROPER AGENCIES, AND/OR FILE THE APPROPRIATE ACTION AGAINST THEM, SHALL BE PUNISHED BY A FINE OF ONE MILLION PESOS (PHP1,000,000.00) AND IMPRISONMENT TEN (10) YEARS.</p> <p>SEC. 172. RETALIATION AGAINST WHISTLEBLOWERS. –ANY PERSON WHO, KNOWINGLY AND WITH THE INTENT TO RETALIATE, TAKES ANY ACTION HARMFUL TO ANOTHER PERSON, INCLUDING BUT NOT LIMITED TO INTERFERENCE WITH THE LAWFUL EMPLOYMENT OR LIVELIHOOD OF ANY PERSON, FOR PROVIDING ANY TRUTHFUL INFORMATION RELATING TO THE COMMISSION OR POSSIBLE COMMISSION OF ANY OFFENSE OR VIOLATION UNDER THIS CODE, SHALL BE PUNISHED WITH A FINE RANGING FROM FIVE HUNDRED THOUSAND PESOS (PHP500,000.00) TO ONE MILLION PESOS (PHP1,000,000.00) AND/OR IMPRISONMENT OF FIVE (5) TO TEN (10) YEARS, AT THE DISCRETION OF THE COURT.</p>	
<p>Section 144. Violations of the Code. – Violations of any of the provisions of this Code or its amendments not otherwise specifically penalized therein shall be punished by a fine of not less than one thousand (P1,000.00) pesos but not more than ten thousand (P10,000.00) pesos or by imprisonment for not less than thirty (30) days but not more than five (5) years, or both, in the</p>	<p>Section 444 173. OTHER Violations of the Code; SEPARATE LIABILITY. – Violations of any of the provisions of this Code or its amendments not otherwise specifically penalized therein shall be punished by a fine of not less than one FIFTY thousand (P50,000) pesos but not more than ONE MILLION (P1,000,000) ten thousand (P10,000.00) pesos AND/or</p>	<p>- revised the minimum amount of penalty for other violations of the code from Php1k to Php50k</p> <p>- revised the maximum amount of penalty for other violations of the code from</p>

<p>discretion of the court. If the violation is committed by a corporation, the same may, after notice and hearing, be dissolved in appropriate proceedings before the Securities and Exchange Commission: Provided, That such dissolution shall not preclude the institution of appropriate action against the director, trustee or officer of the corporation responsible for said violation: Provided, further, That nothing in this section shall be construed to repeal the other causes for dissolution of a corporation provided in this Code.</p>	<p>by imprisonment for OF not less than thirty (30) days but not more than five (5) years, or both, in AT the discretion of the court. If the violation is committed by a corporation, the same may, after notice and hearing, be dissolved in appropriate proceedings before the Securities and Exchange Commission: Provided, That such dissolution shall not preclude the institution of appropriate action against the director, trustee or officer of the corporation responsible for said violation: Provided, further, That nothing in this section shall be construed to repeal the other causes for dissolution of a corporation provided in this Code.</p> <p>LIABILITY FOR ANY OF THE FOREGOING OFFENSES SHALL BE SEPARATE FROM AND WITHOUT PREJUDICE TO ANY OTHER ADMINISTRATIVE CIVIL, CRIMINAL LIABILITY UNDER THIS CODE AND OTHER LAWS.</p>	<p>Php10k to Php1M</p>
<p>(A NEW TITLE IS INSERTED IN THE CODE CONTAINING SECTIONS 174 TO 175)</p>	<p>SEC. 174. LIABILITY OF DIRECTORS, TRUSTEES, OFFICERS OR OTHER EMPLOYEES. – IF THE OFFENDER IS A CORPORATION THE PENALTY MAY, AT THE DISCRETION OF THE COURT, BE IMPOSED UPON SUCH CORPORATION AND/OR UPON ITS DIRECTORS, TRUSTEES, STOCKHOLDERS, MEMBERS, OFFICERS OR EMPLOYEES RESPONSIBLE FOR THE VIOLATION OR INDISPENSABLE TO ITS COMMISSION.</p> <p>SEC. 175. LIABILITY OF AIDERS AND ABETTORS AND OTHER SECONDARY LIABILITY. – ANYONE WHO SHALL AID, ABET, COUNSEL, COMMAND, INDUCE OR PROCURE ANY VIOLATION OF THIS CODE, OR ANY RULE, REGULATION OR ORDER OF THE COMMISSION OR WHO SHALL ASSIST THE ACT OR OMISSION OF ANY PERSON PRIMARILY LIABLE FOR THE VIOLATION, WITH KNOWLEDGE OR IN RECKLESS DISREGARD THAT SUCH ACT OR OMISSION IS WRONGFUL SHALL BE PUNISHED WITH A FINE AND/OR IMPRISONMENT NOT EXCEEDING THAT IMPOSED ON THE PRINCIPAL OFFENDERS, AT THE DISCRETION OF THE COURT AFTER TAKING INTO ACCOUNT THEIR PARTICIPATION IN THE OFFENSE.</p>	<p>- included provision on the liability of directors, trustees, officers or other employees</p> <p>- included provision on the liability of aiders and abettors and other secondary liability</p>
<p>Title XVI on Miscellaneous Provisions is renumbered as Title XVII.</p>		
<p>Sections 137 and 138 of the Code are renumbered as Sections 176 and 177, respectively.</p>		

Section 140. Stock ownership in certain corporations. – Pursuant to the duties specified by Article XIV of the Constitution, the National Economic and Development Authority shall, from time to time, make a determination of whether the corporate vehicle has been used by any corporation or by business or industry to frustrate the provisions thereof or of applicable laws, and shall submit to the Batasang Pambansa, whenever deemed necessary, a report of its findings, including recommendations for their prevention or correction.

Maximum limits may be set by the Batasang Pambansa for stockholdings in corporations declared by it to be vested with a public interest pursuant to the provisions of this section, belonging to individuals or groups of individuals related to each other by consanguinity or affinity or by close business interests, or whenever it is necessary to achieve national objectives, prevent illegal monopolies or combinations in restraint or trade, or to implement national economic policies declared in laws, rules and regulations designed to promote the general welfare and foster economic development.

In recommending to the Batasang Pambansa corporations, businesses or industries to be declared vested with a public interest and in formulating proposals for limitations on stock ownership, the National Economic and Development Authority shall consider the type and nature of the industry, the size of the enterprise, the economies of scale, the geographic location, the extent of Filipino ownership, the labor intensity of the activity, the export potential, as well as other factors which are germane to the realization and promotion of business and industry.

~~Section 140-179. NATIONALITY AND Stock ownership OF in certain corporations.~~ – **THE NATIONALITY OF A CORPORATION SHALL BE DETERMINED BY COMPUTING THE REQUIRED PERCENTAGE OF FILIPINO OWNERSHIP BASED ON BOTH (A) THE ENTIRE OUTSTANDING CAPITAL STOCK, AND (b) THE VOTING STOCKS, TAKING INTO CONSIDERATION THE FULL BENEFICIAL OWNERSHIP OF THE STOCKS.**

EXCEPT WHEN THE CORPORATION IS REQUIRED BY THE CONSTITUTION OR BY STATUTE TO BE WHOLLY NATIONALIZED, OR WHEN THE CORPORATION HAS A CORPORATE STOCKHOLDER OWNING LESS THAN 60% OF BOTH ITS OUTSTANDING CAPITAL STOCK AND VOTING STOCKS, THE CONTROL TEST SHALL BE APPLIED WHEN DETERMINING ITS NATIONALITY.

EXCEPT WHEN A MORE STRINGENT MEASURE IS REQUIRED IN THE CONSTITUTION OR OTHER LAWS, A CORPORATION SHALL BE 5 DEEMED A PHILIPPINE NATIONAL WHEN:

(A) IT IS ORGANIZED UNDER THE LAWS OF THE PHILIPPINES AND AT LEAST SIXTY PERCENT (60%) OF THE CAPITAL STOCK OUTSTANDING AND ENTITLED TO VOTE IS OWNED AND HELD BY CITIZENS OF THE PHILIPPINES, PROVIDED, THAT WHERE A CORPORATION AND ITS NON-FILIPINO STOCKHOLDERS OWN STOCKS IN ANOTHER CORPORATION, AT LEAST SIXTY PERCENT (60%) OF THE CAPITAL STOCKS OUTSTANDING AND ENTITLED TO VOTE OF BOTH CORPORATIONS MUST BE OWNED AND HELD BY CITIZENS OF THE PHILIPPINES AND AT LEAST SIXTY PERCENT (60%) OF THE MEMBERS OF THE BOARD OF DIRECTORS OF BOTH CORPORATIONS MUST BE CITIZENS OF THE PHILIPPINES; OR

(B) ALTHOUGH ORGANIZED ABROAD, IT IS REGISTERED AS DOING BUSINESS IN THE PHILIPPINES UNDER THIS CODE AND ONE HUNDRED PERCENT (100%) OF THE CAPITAL STOCK OUTSTANDING AND ENTITLED TO VOTE IS WHOLLY OWNED BY FILIPINOS.

~~Pursuant to the duties specified by Article XIV of the Constitution, the~~ **THE** National Economic and Development Authority shall, from time to time, **UPON FINDING OR RECOMMENDATION FROM THE COMMISSION OR FROM OTHER APPROPRIATE GOVERNMENT AGENCIES,** make a

- revised the basis of the determination of the nationality of a corporation

- indicated that both the outstanding capital stock and the voting stocks be the basis in computing the required percentage of Filipino ownership

- included provision in the determination on when a corporation shall be deemed a Philippine National

	<p>determination of whether the corporate vehicle has been used by any corporation or by business or industry to frustrate the provisions thereof or of applicable laws, and shall submit to the Batasang Pambansa CONGRESS, whenever deemed necessary, a report of its findings, including recommendations for their prevention or correction.</p> <p>Maximum limits may be set by the Batasang Pambansa CONGRESS for stockholdings in corporations declared by it to be vested with a public interest pursuant to the provisions of this section, belonging to individuals or groups of individuals related to each other by consanguinity or affinity or by close business interests, or whenever it is necessary to achieve national objectives, prevent illegal monopolies or combinations in restraint or trade, or to implement national economic policies declared in laws, rules and regulations designed to promote the general welfare and foster economic development.</p> <p>In recommending to the Batasang Pambansa CONGRESS corporations, businesses or industries to be declared vested with a public interest and in formulating proposals for limitations on stock ownership, the National Economic and Development Authority shall consider the type and nature of the industry, the size of the enterprise, the economies of scale, the geographic location, the extent of Filipino ownership, the labor intensity of the activity, the export potential, as well as other factors which are germane to the realization and promotion of business and industry.</p>	
<p>Section 141. Annual report of corporations. – Every corporation, domestic or foreign, lawfully doing business in the Philippines shall submit to the Securities and Exchange Commission an annual report of its operations, together with a financial statement of its assets and liabilities, certified by any independent certified public accountant in appropriate cases, covering the preceding fiscal year and such other requirements as the Securities and Exchange Commission may require. Such report shall be submitted within such period as may be prescribed by the Securities and Exchange Commission.</p>	<p>Section 141 180. Annual report REPORTORIAL REQUIREMENTS of corporations. – EXCEPT AS OTHERWISE PROVIDED IN THIS CODE, every corporation, domestic or foreign, lawfully doing business in the Philippines shall submit to the Securities and Exchange Commission, IN THE FORM AND SUBSTANCE PRESCRIBED BY IT:</p> <p>an annual report of its operations, together with a financial statement of its assets and liabilities, certified by any independent certified public accountant in appropriate cases, covering the preceding fiscal year and such other requirements as the Securities and Exchange Commission may require.</p> <p>1. ANNUAL FINANCIAL STATEMENTS DULY AUDITED BY THE CORPORATION'S INTERNAL AUDITOR AND BY AN INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT WHO IS ACCREDITED BY THE BOARD OF ACCOUNTANCY AND WHO POSSESSES SUCH OTHER</p>	<ul style="list-style-type: none"> - specified all the reportorial requirements of corporations in addition to the annual report - included a provision as to the consequence should the corporation fails to submit any of the reportorial requirements three times within a period of five years regardless whether such is intermittently or consecutively

ACCREDITATION AS THE COMMISSION MAY REQUIRE;

2. A GENERAL INFORMATION SHEET;

3. A DIRECTOR OR TRUSTEE COMPENSATION REPORT WHICH SHALL CONTAIN, AMONG OTHERS, THE FOLLOWING:

a. THE CORPORATION'S POLICY ON DIRECTOR OR TRUSTEE REMUNERATION, INCLUDING THE FRAMEWORK FOR DETERMINING THE REMUNERATION LEVELS FOR INDIVIDUAL DIRECTORS OR TRUSTEES;

b. A CLEAR, CONCISE AND EASILY UNDERSTANDABLE STATEMENT OF ALL FIXED AND VARIABLE COMPENSATION PAID AND ALL INCENTIVES, AWARDS, AND/OR OPTIONS GIVEN, DIRECTLY OR INDIRECTLY, TO DIRECTORS OR TRUSTEES DURING THE PRECEDING FISCAL YEAR; AND

c. A STATEMENT OF OTHER FORMS OF REMUNERATION AND/OR COMPENSATION ARRANGEMENTS NOT COVERED UNDER THE PRECEDING SUB-PARAGRAPHS;

4. A DIRECTOR OR TRUSTEE APPRAISAL OR PERFORMANCE REPORT AND THE STANDARDS OR CRITERIA USED TO ASSESS EACH DIRECTOR OR TRUSTEE;

5. A DIRECTOR OR TRUSTEE ATTENDANCE REPORT, INDICATING THE ATTENDANCE OF EACH DIRECTOR OR TRUSTEE AT EACH OF THE MEETINGS OF THE BOARD AND ITS COMMITTEES; 9

6. A STATEMENT OF ALL EXTERNAL AUDIT AND NON-AUDIT FEES;

7. SUCH OTHER REPORTS THAT THE COMMISSION MAY REQUIRE BY RULE.

THE FOREGOING REPORTORIAL REQUIREMENTS SHALL BE ACCOMPANIED BY A CERTIFICATION FROM THE CHAIRMAN OF THE BOARD, THE PRESIDENT, THE TREASURER AND THE CORPORATE SECRETARY (OR THEIR EQUIVALENT) TO WIT:

1. AS TO THE ANNUAL FINANCIAL STATEMENTS, THAT THE INFORMATION CONTAINED THEREIN IS COMPLETE, FAIRLY AND ACCURATELY PRESENTS, IN ALL MATERIAL RESPECTS, THE FINANCIAL CONDITION OF THE CORPORATION AND DOES NOT CONTAIN ANY FALSE OR MISLEADING STATEMENT OR MISREPRESENTATION;

2. AS TO THE GENERAL INFORMATION SHEET, THAT THE INFORMATION CONTAINED THEREIN IS COMPLETE, ACCURATE AND DOES NOT CONTAIN ANY FALSE OR MISLEADING STATEMENT OR MISREPRESENTATION; AND

3. AS TO THE DIRECTOR OR TRUSTEE COMPENSATION REPORT, THAT THE INFORMATION CONTAINED THEREIN IS COMPLETE, FAIRLY AND ACCURATELY PRESENTS, IN ALL MATERIAL RESPECTS, THE CORPORATION'S POLICY ON DIRECTOR OR TRUSTEE REMUNERATION, THE ACTUAL REMUNERATIONS OF SUCH DIRECTORS OR TRUSTEES, AND DOES NOT CONTAIN ANY FALSE OR MISLEADING STATEMENT OR MISREPRESENTATION.

Such ~~report~~ **REPORTORIAL REQUIREMENTS** shall be submitted **ANNUALLY AND** within such period as may be prescribed by the ~~Securities and Exchange~~ Commission.

IF A CORPORATION FAILS TO SUBMIT ANY OF THE FOREGOING REPORTORIAL REQUIREMENTS THREE TIMES, WHETHER INTERMITTENTLY OR CONSECUTIVELY, WITHIN A PERIOD OF FIVE

	<p>YEARS, THE COMMISSION MAY, AFTER DUE NOTICE AND HEARING, PUT THE CORPORATION ON DELINQUENCY STATUS OR REVOKE ITS CERTIFICATE OF INCORPORATION IN ACCORDANCE WITH SECTION 22.</p>	
<p>Section 142. <i>Confidential nature of examination results.</i> – All interrogatories propounded by the Securities and Exchange Commission and the answers thereto, as well as the results of any examination made by the Commission or by any other official authorized by law to make an examination of the operations, books and records of any corporation, shall be kept strictly confidential, except insofar as the law may require the same to be made public or where such interrogatories, answers or results are necessary to be presented as evidence before any court.</p>	<p>Section 142 181. VISITORIAL POWER AND <i>Confidential nature of examination results.</i> – THE COMMISSION SHALL EXERCISE VISITORIAL POWERS OVER ALL CORPORATIONS REGISTERED WITH IT. THESE VISITORIAL POWERS SHALL INCLUDE, BUT NOT BE LIMITED TO EXAMINATION, INVESTIGATION, INSPECTION OF RECORDS REGARDLESS OF THE FORM IN WHICH THE INFORMATION IS CONTAINED, REGULATION AND SUPERVISION OF ACTIVITIES, ENFORCING COMPLIANCE AND IMPOSING SANCTIONS IN ACCORDANCE WITH THIS CODE.</p> <p>ANY UNJUSTIFIED REFUSAL OR OBSTRUCTION BY A CORPORATION, OR ANYONE UNDER ITS EMPLOY, IN THE COMMISSION’S EXERCISE OF THE FOREGOING AUTHORITY SHALL, IN ADDITION TO THE IMPOSITION OF PENALTIES AND SANCTIONS UNDER THIS CODE, CONSTITUTE A JUSTIFIABLE GROUND FOR THE REVOCATION OF ITS CERTIFICATE OF INCORPORATION.</p> <p>All interrogatories propounded by the Securities and Exchange Commission and the answers thereto, as well as the results of any examination made by the Commission or by any other official authorized by law to make an examination of the operations, books and records of any corporation, shall be kept strictly confidential, except insofar as the law may require the same to be made public, WHEN NECESSARY FOR THE COMMISSION TO TAKE ACTION OR ISSUE ORDERS IN THE EXERCISE OF ITS POWERS UNDER THIS CODE, or where such interrogatories, answers or results are necessary to be presented as evidence before any court.</p>	<p>- included a provision regarding visitorial power of the commission</p>
<p>Section 143. <i>Rule-making power of the Securities and Exchange Commission.</i> – The Securities and Exchange Commission shall have the power and authority to implement the provisions of this Code, and to promulgate rules and regulations reasonably necessary to enable it to perform its duties hereunder, particularly in the prevention of fraud and abuses on the part of the controlling stockholders, members, directors, trustees or officers.</p>	<p>Section 143-182. Rule-making power POWERS AND FUNCTIONS <i>of the</i> Securities and Exchange Commission AND JURISDICTION OVER ACTIONS. – CONSISTENT WITH AND IN ADDITION TO THE POWERS AND FUNCTIONS PROVIDED IN PRESIDENTIAL DECREE NO. 902-A, THE SECURITIES REGULATION CODE, THE INVESTMENT HOUSES LAW, THE FINANCING COMPANY ACT AND OTHER LAWS, – The Securities and Exchange Commission shall have the power and authority, AMONG OTHERS, THE FOLLOWING POWERS AND FUNCTIONS:</p> <p>1. HAVE JURISDICTION AND SUPERVISION OVER ALL</p>	<p>- included a detailed provision regarding the functions and powers of the SEC</p>

CORPORATIONS, REGISTERED WITH IT, EXCEPT AS OTHERWISE PROVIDED UNDER THIS CODE;

2. FORMULATE POLICIES AND RECOMMENDATIONS ON ISSUES PERTAINING TO THE REGULATION AND SUPERVISION OF CORPORATIONS, AND PROPOSE LEGISLATION AND AMENDMENTS THERETO;

3. APPROVE OR REJECT APPLICATIONS, ISSUE OR REVOKE OTHER CERTIFICATIONS, REQUIRE ADDITIONAL SUBMISSIONS OR AMENDMENTS THERETO;

4. REGULATE, INVESTIGATE, SUPERVISE THE ACTIVITIES OF PERSONS TO ENSURE COMPLIANCE WITH THIS CODE;

5. IMPOSE SANCTIONS FOR THE VIOLATIONS OF THIS CODE AND ITS RULES, REGULATIONS AND ORDERS OF THE COMMISSION ISSUED PURSUANT THERETO;

6. PROMOTE CORPORATE GOVERNANCE AND, IN FURTHERANCE THEREOF, EXPAND OR ADD TO THE REQUIREMENTS WITH RESPECT TO, AMONG OTHERS, THE CONTENTS OF THE BY-LAWS, THE QUALIFICATIONS AND DISQUALIFICATIONS OF DIRECTORS, AND THE RECORDS THAT MUST BE ON HAND AT THE CORPORATION'S ADDRESS OF RECORD AND THE ANNUAL REPORTS THAT MUST BE SUBMITTED TO THE COMMISSION;

7. PREPARE, APPROVE, AMEND OR REPEAL RULES, REGULATIONS AND ORDERS, AND ISSUE OPINIONS AND PROVIDE GUIDANCE ON AND SUPERVISE COMPLIANCE WITH SUCH RULES, REGULATIONS AND ORDERS

~~8. to implement the provisions of this Code, and to promulgate rules and regulations reasonably necessary to enable it to perform its duties~~

~~hereunder, particularly in the prevention of fraud and abuses on the part of the controlling stockholders, members, directors, trustees or officers.~~

ISSUE CEASE AND DESIST ORDERS WITHOUT THE NECESSITY OF A HEARING, TO PREVENT FRAUD OR INJURY TO THE PUBLIC[.];

9. PUNISH FOR CONTEMPT OF THE COMMISSION, BOTH DIRECT AND INDIRECT;

10. COMPEL THE OFFICERS OF ANY REGISTERED CORPORATION TO CALL MEETINGS OF STOCKHOLDERS OR MEMBERS UNDER ITS SUPERVISION AND TO ISSUE SUCH ORDERS AS MAY BE APPROPRIATE, INCLUDING, WITHOUT LIMITATION, ORDERS DESIGNATING THE TIME AND PLACE OF THE ELECTION, THE RECORD DATE OR DATES FOR DETERMINATION OF STOCKHOLDERS ENTITLED TO NOTICE OF THE ELECTION AND TO VOTE THEREAT, AND THE FORM OF NOTICE OF SUCH ELECTION;

11. ISSUE SUBPOENA DUCES TECUM AND SUMMON WITNESSES TO APPEAR IN PROCEEDINGS BEFORE THE COMMISSION AND IN APPROPRIATE CASES ORDER THE EXAMINATION, SEARCH AND SEIZURE OF ALL DOCUMENTS, PAPERS, FILES AND RECORDS, TAX RETURNS, AND BOOKS OF ACCOUNTS OF ANY ENTITY OR PERSON UNDER INVESTIGATION AS MAY BE NECESSARY FOR THE PROPER DISPOSITION OF THE CASES BEFORE IT, SUBJECT TO THE PROVISIONS OF EXISTING LAWS;

12. SUSPEND OR REVOKE, AFTER PROPER NOTICE AND HEARING, THE CERTIFICATE OF INCORPORATION OF CORPORATIONS UPON ANY OF THE GROUNDS PROVIDED UNDER THIS CODE OR WHEN DIRECTED BY FINAL JUDGMENT OF A COURT OF COMPETENT JURISDICTION;

13. DISSOLVE OR OTHERWISE SANCTION CORPORATIONS CREATED FOR, COMMITTING, AIDING IN THE COMMISSION OF, OR IN ANY MANNER FURTHERING SECURITIES VIOLATIONS, SMUGGLING, TAX EVASION, MONEY LAUNDERING, GRAFT AND CORRUPT

	<p>PRACTICES OR OTHER FRAUDULENT OR ILLEGAL ACTS;</p> <p>14. ISSUE WRITS OF EXECUTION AND OF ATTACHMENT TO ENFORCE PAYMENT OF THE FEES, ADMINISTRATIVE FINES AND OTHER DUES COLLECTIBLE UNDER THIS CODE;</p> <p>15. EXERCISE SUCH OTHER POWERS AS MAY BE PROVIDED BY LAW AS WELL AS THOSE WHICH MAY BE IMPLIED FROM, OR WHICH ARE NECESSARY OR INCIDENTAL TO CARRYING OUT THE EXPRESS POWERS GRANTED TO THE COMMISSION TO ACHIEVE THE OBJECTIVES AND PURPOSES OF THIS CODE AND SUCH OTHER LAWS.</p> <p>NO COURT BELOW THE COURT OF APPEALS SHALL HAVE JURISDICTION TO ISSUE ANY RESTRAINING ORDER, PRELIMINARY INJUNCTION OR PRELIMINARY MANDATORY INJUNCTION IN ANY CASE, DISPUTE OR CONTROVERSY THAT, DIRECTLY OR INDIRECTLY, INTERFERES WITH THE PERFORMANCE BY THE COMMISSION OF ITS DUTIES AND RESPONSIBILITIES UNDER THIS CODE.</p>	
<p><i>(NEW PROVISIONS INSERTED IN THE CODE) SUCCEEDING PROVISIONS ARE RE-NUMBERED ACCORDINGLY</i></p>	<p>SECTION 184. DEVELOPMENT OF OTHER SYSTEMS. – THE COMMISSION SHALL, CONSIDERING ADVANCES IN TECHNOLOGY, DEVELOP SUCH SYSTEMS AS IT MAY DEEM NECESSARY TO FACILITATE AND EXPEDITE, AMONG OTHERS, CORPORATE NAME RESERVATION AND REGISTRATION, INCORPORATION, AND THE SUBMISSION OF REPORTS, NOTICES, DOCUMENTS AND OTHER PAPERS REQUIRED UNDER THIS CODE, AND PRESCRIBE THE CORRESPONDING RULES AND REGULATIONS THEREFOR. THE COMMISSION SHALL HAVE FULL DISCRETION TO DETERMINE WHICH SYSTEM OR SYSTEMS ALLOW THE MOST EFFECTIVE IMPLEMENTATION AND ENFORCEMENT OF THE PROVISIONS OF THIS CODE</p> <p>SEC. 185. ARBITRATION. – WHEN THE ARTICLES OF INCORPORATION OR BY-LAWS OF A DOMESTIC UNLISTED CORPORATION SO PROVIDE, ANY OR ALL DISPUTES BETWEEN OR AMONG THE CORPORATION, ITS STOCKHOLDERS OR MEMBERS, AND DIRECTORS ARISING OUT OF THE IMPLEMENTATION OF THEIR</p>	<p>- included additional section regarding the development of other systems in relation to the effective implementation and enforcement of the provision of the code</p> <p>- included additional section for the guidelines on the inclusion of arbitration arrangement</p>

ARTICLES OF INCORPORATION OR BY-LAWS, AS WELL AS OTHER CONTROVERSIES ARISING OUT OF THEIR INTRACORPORATE RELATIONS, INCLUDING BUT NOT LIMITED TO CONTROVERSIES IN THE ELECTION OR APPOINTMENT OF THE CORPORATION'S DIRECTORS, TRUSTEES, OFFICERS OR MANAGERS, SHALL BE REFERRED TO ARBITRATION. HOWEVER, A DISPUTE SHALL NOT BE SUBMITTED TO ARBITRATION WHEN SUCH WILL LIMIT OR PRECLUDE ANY RIGHT, ACTION OR DETERMINATION BY THE COMMISSION THAT IT WOULD OTHERWISE BE AUTHORIZED TO ADOPT, ADMINISTER OR ENFORCE UNDER THIS CODE AND EXISTING LAWS. SUCH DISPUTE SHALL BE DEEMED EXCLUDED FROM THE AGREEMENT TO ARBITRATE, WHICH SHALL OTHERWISE REMAIN VALID AND BINDING.

THE ARBITRATION AGREEMENT SHALL BE BINDING AGAINST THE CORPORATION'S DIRECTORS, TRUSTEES, OFFICERS OR MANAGERS, UPON ACCEPTANCE OF THEIR POST.

TO BE VALID, THE AGREEMENT TO ARBITRATE IN THE ARTICLES OF INCORPORATION OR THE BY-LAWS SHOULD INDICATE THE NUMBER AND PROCEDURE FOR THE APPOINTMENT OF ARBITRATORS AND GRANT TO A DESIGNATED THIRD, INDEPENDENT, AND EXTERNAL PARTY OR BODY THE POWER TO APPOINT THE ARBITRATORS. IF THE THIRD PARTY OR BODY FAILS TO APPOINT THE ARBITRATORS IN THE MANNER AND WITHIN THE PERIOD SPECIFIED IN THE AGREEMENT TO ARBITRATE, EACH PARTY TO THE ARBITRATION MAY REQUEST THAT THE APPOINTMENT OF THE ARBITRATORS BE MADE BY THE COMMISSION. ARBITRATORS SHALL BE THOSE WHO ARE EITHER DULY ACCREDITED BY THE COMMISSION OR MEMBERS OF ORGANIZATIONS DULY-ACCREDITED BY THE COMMISSION.

THE ARBITRAL TRIBUNAL SHALL HAVE FULL AUTHORITY TO RESOLVE ALL ISSUES RELATING TO ITS JURISDICTION AND/OR THE VALIDITY OR EFFECTIVITY OF THE ARBITRATION AGREEMENT. A REGIONAL TRIAL COURT BEFORE WHICH AN INTRACORPORATE DISPUTE IS FILED SHALL, BEFORE THE TERMINATION OF THE PRETRIAL CONFERENCE, DISMISS THE CASE UPON DETERMINING THE EXISTENCE OF AN AGREEMENT TO ARBITRATE IN THE ARTICLES OF INCORPORATION OR BY-LAWS OF THE

CORPORATION, ANY AMENDMENT THEREOF, OR IN A SEPARATE AGREEMENT.

THE ARBITRAL TRIBUNAL SHALL HAVE THE POWER TO GRANT INTERIM MEASURES NECESSARY TO ENSURE ENFORCEMENT OF THE AWARD, TO PREVENT A MISCARRIAGE OF JUSTICE, OR TO OTHERWISE PROTECT THE RIGHTS OF THE PARTIES.

A FINAL ARBITRAL AWARD UNDER THIS SECTION SHALL BE EXECUTORY UPON THE LAPSE OF FIFTEEN (15) DAYS FROM RECEIPT THEREOF BY THE PARTIES AND SHALL BE STAYED ONLY BY THE FILING OF A BOND OR THE ISSUANCE BY THE APPELLATE COURT OF AN INJUNCTIVE WRIT.

THE COMMISSION SHALL FORMULATE THE RULES AND REGULATIONS WHICH SHALL GOVERN ARBITRATION UNDER THIS SECTION.

SEC. 186. JURISDICTION OVER CORPORATIONS OF SPECIAL CHARACTER. – THE POWERS, AUTHORITIES AND RESPONSIBILITIES THAT ARE VESTED IN THE COMMISSION UNDER THIS CODE AND PRESIDENTIAL DECREE 902-A INVOLVING CORPORATIONS OF A SPECIAL CHARACTER ARE TRANSFERRED TO THE COMMISSION ON ELECTIONS (COMELEC) WITH RESPECT TO PARTY-LIST ORGANIZATIONS, TO THE HOUSING AND LAND USE REGULATORY BOARD (HLURB) WITH RESPECT TO NEIGHBORHOOD ASSOCIATIONS AND HOMEOWNERS' ASSOCIATIONS, AND TO THE DEPARTMENT OF TRANSPORTATION AND COMMUNICATIONS (DOTC) WITH RESPECT TO THE ASSOCIATIONS OF OPERATORS AND DRIVERS OF PUBLIC TRANSPORT.

THE MONITORING, SUPERVISION AND REGULATION OF CORPORATIONS OF SUCH CHARACTER ABOVE-DESCRIBED PREVIOUSLY REGISTERED WITH THE COMMISSION SHALL LIKEWISE BE TRANSFERRED TO THE SAID PERTINENT GOVERNMENT AGENCIES, RESPECTIVELY.

FOR THIS PURPOSE, THE COMELEC, HLURB, AND DOTC, IN COORDINATION WITH THE COMMISSION, SHALL PROMULGATE THE CORRESPONDING IMPLEMENTING RULES AND/OR ENTER INTO

	INTER-AGENCY AGREEMENTS.	
NEW SECTION INSERTED IN THE CODE	SECTION 187. IMPLEMENTING RULES AND REGULATIONS. – THE COMMISSION SHALL PROMULGATE AND/OR AMEND THE NECESSARY RULES AND REGULATIONS FOR THE EFFECTIVE IMPLEMENTATION OF THIS ACT.	
Section 145. Amendment or repeal. – No right or remedy in favor of or against any corporation, its stockholders, members, directors, trustees, or officers, nor any liability incurred by any such corporation, stockholders, members, directors, trustees, or officers, shall be removed or impaired either by the subsequent dissolution of said corporation or by any subsequent amendment or repeal of this Code or of any part thereof.	<i>Deleted the provision</i>	
Section 146. Repealing clause. – Except as expressly provided by this Code, all laws or parts thereof inconsistent with any provision of this Code shall be deemed repealed.	Section 146 189. Repealing clause. – Except as expressly provided by this Code, all ANY law,s or parts thereof PRESIDENTIAL DECREE OR ISSUANCE, EXECUTIVE ORDER, LETTER OF INSTRUCTION, ADMINISTRATIVE ORDER, RULE OR REGULATION CONTRARY TO OR inconsistent with any provision of this ACT IS HEREBY Code shall be deemed repealed OR MODIFIED ACCORDINGLY.	
Section 147. Separability of provisions. – Should any provision of this Code or any part thereof be declared invalid or unconstitutional, the other provisions, so far as they are separable, shall remain in force.	Section 147 188. Separability of provisions CLAUSE. – Should IF any provision of this ACT Code or any part thereof be IS declared invalid or unconstitutional, the other provisions HEREOF WHICH , so far as they are NOT AFFECTED THEREBY separable, shall CONTINUE TO BE remain in FULL force AND EFFECT.	
Section 148. Applicability to existing corporations. – All corporations lawfully existing and doing business in the Philippines on the date of the effectivity of this Code and heretofore authorized, licensed or registered by the Securities and Exchange Commission, shall be deemed to have been authorized, licensed or registered under the provisions of this Code, subject to the terms and conditions of its license, and shall be governed by the provisions hereof: Provided, That if any such corporation is affected by the new requirements of this Code, said corporation shall, unless otherwise herein provided, be given a period of not more than two (2) years from the effectivity of this Code within which to comply with the same.	<i>Deleted the provision</i>	
Section 149. Effectivity. – This Code shall take effect immediately upon its approval.	Section 149 190. Effectivity CLAUSE. – This ACT Code shall take effect FIFTEEN (15) DAYS AFTER ITS PUBLICATION IN THE OFFICIAL GAZETTE OR IN AT LEAST TWO (2) NEWSPAPERS OF GENERAL CIRCULATION, WHICHEVER DATE COMES EARLIER immediately upon its approval.	