SEC MEMORANDUM CIRCULAR NO. 14
Series of 2020

TO : **PUBLICLY-LISTED COMPANIES**

SUBJECT : **SHAREHOLDERS' RIGHT TO PUT ITEMS ON THE AGENDA FOR REGULAR/ SPECIAL STOCKHOLDERS' MEETINGS**

To promote good corporate governance and the protection of minority investors, the Securities and Exchange Commission, pursuant to its regulatory power under Section 179(d) of Republic Act No. 11232, otherwise known as the Revised Corporation Code of the Philippines (RCC), and Administrative Order No. 38, Series of 2013, resolved to issue the following rules:

(1) Shareholders who, alone or together with other shareholders, hold at least five percent (5%) of the outstanding capital stock of a publicly-listed company (PLC) shall have the right to include items on the agenda prior to the regular/special stockholders' meeting.

(2) All items added on the agenda by qualified shareholder(s) pursuant to this Memorandum Circular after the Definitive Information Statement (DIS) has been filed with the Commission shall be filed under "Other Matters." In this regard, the reporting PLC shall no longer be required to amend its DIS.

(3) Any officer or agent of the corporation who shall unjustly refuse to allow a shareholder or group of shareholders, duly qualified and holding the required percentage of outstanding shares of the corporation, to exercise his/her right to put items on the agenda shall be liable under Section 158 of the RCC: *Provided,* that, if such refusal is made pursuant to a resolution or order of the board of directors, the liability under this section for such action shall be imposed upon the directors who voted for such refusal: *Provided, further,* that it shall be a defense to any action under this Memorandum Circular that the shareholder exercising any of these rights was not acting in good faith or for a legitimate purpose.

If, after due notice and hearing, the Commission finds that any provision of this Memorandum Circular has been violated, or that any of the right hereunder has been abused, the Commission may impose any or all of the sanctions provided under Section 158 of the RCC.

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This Memorandum Circular shall take effect upon its publication in two (2) newspapers of general circulation in the Philippines.

Pasay City, Philippines, 28 April 2020.

For the Commission:

EMILIO B. AQUINO
Chairperson