REPUBLIC OF THE PHILIPPINES
SECURITIES AND EXCHANGE COMMISSION
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**SEC MEMORANDUM CIRCULAR NO. 4**
Series of 2004

TO : **ALL CONCERNED**
SUBJECT : **VOTING BY MAIL AND ONE SHARE-ONE VOTE POLICY**

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Pursuant to the powers granted to the Commission by Presidential Decree No. 902-A, as amended, and the Securities Regulation Code, the following provisions to implement Section 16, Section 24, and Section 52 of the Corporation Code of the Philippines (BP 68) are hereby adopted:

**1. Voting by Mail**

a. Stockholders attending stockholders' meetings shall vote their shares as provided by existing laws.

b. Stockholders shall have the right to vote at all stockholders' meetings in person or by proxy. The stockholder may deliver, in person or by mail, his proxy vote directly to the corporation.

c. In cases provided in Section 16 of the Corporation Code of the Philippines where written assent is allowed, the same number of votes shall be observed and voting can likewise be done by proxy.

d. The stockholder may designate any person of his choice to act as his proxy. Absent such designation, the Chairman of the meeting shall be deemed authorized and hereby directed to cast the vote as indicated by the voting stockholder or his proxy.

e. The proxy must be dated. If a duly accomplished and executed proxy is undated, the postmark or date of dispatch indicated in the electronic mail or, if not mailed, its actual date of presentation, shall be considered as the date of the proxy.

f. Where the corporation receives more than one (1) proxy from the same stockholder and they are all undated, the postmark or electronic dates shall be considered. If the proxies are mailed on the same date, the one bearing the latest time of day indicated in the postmark or latest time of dispatch appearing in the electronic mail shall prevail. If the proxies are not mailed, then the time of their actual presentation is considered. That which is presented last will be recognized.

g. If the stockholder intends to designate several proxies, the number of shares of stock to be represented by each proxy shall be specifically indicated in the proxy form. If some of the proxy forms do not

indicate the number of shares, the total shareholding of the stockholder shall be tallied and the balance thereof, if any, shall be allotted to the holder of the proxy form without the number of shares. If all are in blank, the stocks shall be distributed equally among the proxies. The number of persons to be designated as proxies may be limited by the By-laws.

**2. One Share-One Vote Policy**

a. Pursuant to Section 24 of the Corporation Code, one share is entitled to one vote. Voting shall always be on the basis of the number of shares and not on the number of stockholders present in the stockholders' meeting.

b. Common shares shall have complete voting rights and such shares cannot be deprived of such rights except as provided by law.

c. Each common share shall be equal in all respects to every other common share. Corporations are hereby prohibited from issuing multiple voting and non-voting common shares nor can they limit the maximum number of votes per stockholder irrespective of the number of shares he holds.

**3. Outstanding Capital Stock**

a. The articles of incorporation and the certificate of stocks cannot deprive preferred shares of the right to vote in the following cases (Section 6, Corporation Code)

i. Amendment of the articles of incorporation;
ii. Adoption and amendment of by-laws;
iii. Sale, lease, exchange, mortgage, pledge or other disposition of all or substantially all of the corporate property;
iv. Incurring, creating or increasing bonded indebtedness;
v. Increase or decrease of capital stock;
vi. Merger or consolidation of the corporation with another corporation or other corporations;
vii. Investment of corporate funds in another corporation or business in accordance with the Corporation Code; and
viii. Dissolution of the corporation.

b. For purposes of the foregoing, the phrase "outstanding capital stock" as defined under Section 137 of the Corporation Code shall be deemed to include preferred shares.

This Memorandum Circular shall take effect immediately.

Mandaluyong City. March 17, 2004.

**Lilia R. Bautista**
Chairperson