

VI. INVESTOR'S RIGHTS AND PROTECTION

The Board shall commit to respect the following rights of the stockholders:

1.0 Voting Right

Stockholders shall have the right to elect, remove and replace directors and vote on certain corporate acts in accordance with the Corporation Code. Cumulative voting shall be used in the election of directors.

2.0 Pre-emptive Right

Unless otherwise stated in the Articles of the Incorporation or Corporation Code of the Philippines, all stockholders shall enjoy pre-emptive right to subscribe to all issues or disposition of shares in proportion to their respective shareholdings

3.0 Right of Inspection

Any stockholder who desires to exercise his right to inspect corporate books and record of the Company must make a written request addressed to the Corporate Secretary, and stating the specific reason(s) or purpose(s) for the inspection. The exercise of such right may be denied if: (i) the requesting stockholder improperly used information obtained from prior examination; or (ii) is not acting in good faith; or, (iii) there is a reasonable ground to safeguard the interests of the Company, such as when the subject of inspection contains confidential or proprietary information or covered by a confidentiality or non-disclosure obligation which will be violated by the Company if inspection were allowed. In no case the stockholder be allowed to take corporate books and other records out of the principal office of the Company for the purpose of inspecting them. The Corporate Secretary may elevate the request for inspection for the information, approval, or other appropriate action by the Board.

This Manual shall be available for inspection by any stockholder of the Company at reasonable hours on business days.

4.0 Right to Information

Stockholders shall be provided upon request, with periodic reports filed by the company with the SEC (e.g., proxy statement/ information statement and annual report) which disclose personal or personal information about the Directors and Officers such as their educational and business background, holdings of the Company's shares, material transactions with the Company, relationship with other Directors and Officers and the aggregate compensation of Directors and Officers.

5.0 Right to Dividends

Stockholders shall have the right to receive declared dividends subject to the procedures prescribed by the Board. The Company shall be compelled to declare dividends when its retained earnings exceeds 100% of its paid –in- capital stock, except:

- a. When justified by definite corporate expansion projects or programs approved by the Board; or
- b. When the Company is prohibited under any loan agreement with any financial institution or creditor, whether local or foreign, from declaring dividends without its consent, and such consent has not been secured; or
- c. When it can be clearly shown that such retention is necessary under special circumstances obtaining in the company, such as when there is a need for special reserve for probable contingencies.

6.0 Appraisal Right

The stockholders shall have appraisal right under any of the following circumstances:

- a. In case any amendment to the Articles of Incorporation has the effect of changing or restricting the rights of any stockholders or class of shares, or of authorizing preferences in any aspect superior to those of outstanding shares of any class, or of existing or reducing the term of corporate existence;
- b. In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the property and assets of the Company;
- c. In case of merger or consolidation; and
- d. Investment of funds in any other corporation or business or for a purpose other than the primary purpose for which the Company was organized.

7.0 Right to Transfer and Fair Conduct of Stockholders' Meeting

The board shall adopt appropriate measure to ensure that stockholders' meetings are conducted in a fair and transparent manner. The stockholders should be encouraged to personally attend such meetings, and if unable to do so, they should be advised ahead of time of their right to appoint a proxy on their behalf. Subject to the requirements of law, rules and regulations, the By-Laws of the Company and the rules approved by the board, the validity of a proxy should be resolved in favor of the stockholder.

It shall be the duty of the directors to promote stockholders rights, remove impediments to the exercise of stockholders' rights and allow possibilities to

seek redress for violation of their rights. The directors shall envisage the exercise of stockholders' voting rights and the solution of problems through appropriate mechanisms. They shall be instrumental in removing excessive costs and other administrative or practical impediments to stockholders participating in meetings and/ or voting in person.

VII RELATIONS WITH STOCKHOLDERS

1.0 Dialogue with stockholders

- a. There shall be a dialogue with stockholders based on the mutual understanding of objectives.
- b. The Board must maintain an effective communications policy that enable both the Board and management to communicate effectively with its stockholders, stakeholders and the general public.
- c. The Board shall keep in touch with stockholders' opinion in whatever way it is most practical and efficient.

2.0 Essential standards

- a. The Chairman shall ensure that the views of stockholder are communicated to the Board.
- b. The Chairman shall discuss governance and strategies with major stockholders.
- c. Non- executives directors shall be offered the opportunity to attend meetings with major stockholders and shall be expected to attend when requested by major stockholders.

- d. The senior independent director shall attend sufficient meetings with major stockholders to listen to their views in order to develop a balanced understanding of the issues and concerns of major stockholders.

3.0 Constructive use of the AGM (Annual General Meeting)

- a. The Board shall use the AGM or Annual Stockholder's Meeting to communicate with investors and encourage their participation.
- b. The company shall count all proxy votes.
- c. The company ensures that votes cast are properly received and recorded.
- e. The Board proposes a separate resolution at the AGM on each material issue (i.e reports, accounts.)
- f. The Chairman, directors and members of the Audit, Remuneration and Nomination committees shall be present at the AGM to answer questions.
- g. Notices, annual reports including the latest annual Financial Statements of the company shall be given to stockholders at least two (2) weeks prior to the AGM.