



REPUBLIC OF THE PHILIPPINES  
SECURITIES AND EXCHANGE COMMISSION  
Ground Floor, Secretariat Building, PICC  
City Of Pasay, Metro Manila

COMPANY REG. NO. CS200901269

**CERTIFICATE OF FILING OF AMENDED BY-LAWS**

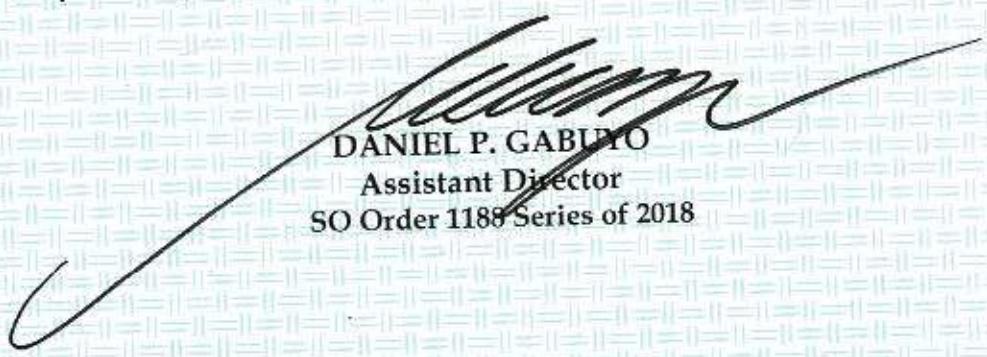
KNOW ALL PERSONS BY THESE PRESENTS:

THIS IS TO CERTIFY that the Amended By-Laws of

**PH RESORTS GROUP HOLDINGS, INC.**

copy annexed, adopted on May 23, 2019 by majority vote of the Board of Directors and by the vote of the stockholders owning or representing at least two-thirds of the outstanding capital stock, and certified under oath by the Corporate Secretary and majority of the said Board was approved by the Commission on this date pursuant to the provisions of Section 47 of the Revised Corporation Code of the Philippines, Republic Act No. 11232, which took effect on February 23, 2019, and copies thereof are filed with the Commission.

IN WITNESS WHEREOF, I have set my hand and caused the seal of this Commission to be affixed to this Certificate at Pasay City, Metro Manila, Philippines, this 6<sup>th</sup> day of February, Twenty Twenty.

  
DANIEL P. GABITO  
Assistant Director  
SO Order 1188 Series of 2018

BA/qba



**AMENDED BY-LAWS OF PH RESORTS GROUP HOLDINGS INC.  
(FORMERLY: PHILIPPINE H2O VENTURES CORP.)**

**ARTICLE I  
OFFICES**

**SECTION 1. OFFICES** -- The principal office of the Corporation shall be located at the place stated in the Articles of Incorporation. The Corporation may have branch offices and other places of business at such other, as the Board of Directors may designate or as the business of the Corporation may require from time to time.

**ARTICLE II  
STOCKHOLDERS**

**SECTION 1. PLACE OF MEETING**-- All meetings of the stockholders shall be held at the place of the principal office of the Corporation.

**SECTION 2. ANNUAL MEETING** -- The annual meeting of the stockholders shall be held every 3<sup>rd</sup> Wednesday of May of each year at the place of the principal office of the Corporation, for the purpose of electing the directors and for the transaction of such other business as may come before the meeting. If the day fixed for the annual meeting shall not be held on the day designed herein for any annual meeting of the stockholders, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the stockholders as soon thereafter as conveniently may be. *(As amended on 23 May 2019)*

**SECTION 3. SPECIAL MEETINGS**-- Special meetings of the stockholders for any purpose or purposes may be called by the President, or Chairman of the Board, or at the request in writing addressed to the President, or four members of the Board of Directors or of two or more registered stockholders owning at least one third of the issued outstanding shares entitled to vote.

**SECTION 4. NOTICE OF MEETINGS** -- Notice of time and place or regular or special meetings of stockholders shall be given by mailing or delivering written or printed notice of the same at least FIFTEEN (15) BUSINESS DAYS prior to the meeting whether an annual or a special meeting, with postage and/or delivery charges prepaid, to each stockholder's last known post office address appearing on the corporate books of the Corporation. No failure or irregularity of notice of any regular meeting shall invalidate such meeting or proceeding thereat, and no failure or irregularity of notice of any special meeting at which all of the shareholders are present or any proceeding thereat.

The Board of Directors shall set a record date prior to each meeting of stockholders of the Corporation for determination of the stockholders entitled to notice of such meeting and the number of shares which the stockholder is entitled to vote at such meeting.

**SECTION 5. VOTING** -- Stockholders may vote at all meetings either in person or by proxy duly given in writing in favor of any person of their confidence and each stockholder shall be entitled to one vote for each share of stock standing in his name in the books of the Corporation; provided, however, that in the election of directors each stockholder shall be entitled to cumulate his votes in the manner provided for by law.

In case of failure of election of the independent directors, the Chairman of the Stockholders' meeting shall call a separate election during the same meeting to fill up the vacancy.

**SECTION 6. PROXIES**-- Proxies of any stockholder entitled to vote at any meeting of stockholders would be recognized, provided that the proxy shall have been appointed in writing by the stockholders himself or by his duly authorized attorney, and provided further that the proxy is

the stockholders himself or by his duly authorized attorney, and provided further that the proxy is filed with the Secretary of the Corporation at least FOUR (4) days before the date of the meeting. Validation of proxies submitted shall take place at least three (3) days prior to the meeting.

**SECTION 7. QUORUM--** The holders of a majority of the stock issued and outstanding and entitled to vote, present in person or by proxy, shall be necessary to constitute a quorum at all meetings of the stockholders for the transaction of business, except as otherwise provided by law. If, however, such majority shall not be present and represented at any meeting of the stockholders, the stockholders entitled to vote, present in person or by proxy, shall have the power to adjourn the meeting from time to time until the requisite amount of voting stock shall be present or represented. At any such adjourned meeting at which a quorum may be present, any business may be transacted which might have been transacted at the meeting as originally called. The absence from any meeting of the number required by the laws of the Philippines or by the Articles of Incorporation or these By-Laws for action upon any given matter shall not prevent action at such meeting upon any other matter or matters which may properly come before the meeting, if the number of stockholders required in respect of such other matters shall be present.

**SECTION 8. ELECTION INSPECTORS-** Two inspectors shall be appointed by the Board of Directors before or at each meeting of the stockholders of the Corporation at which an election of directors shall take place; if no such appointment shall have been made or if the inspectors appointed by the Board of Directors refused to act or fail to attend then the appointment shall be made by the presiding officer of the meeting. The inspectors shall receive and take charge of all proxies and ballots and shall decide all questions touching upon the qualifications of voters, the validity of proxies, and the acceptance and rejection of votes. In case of a tie by the vote of the inspectors on any question, the presiding officer shall decide.

**SECTION 9. ORDER OF BUSINESS--** Order of business at the annual meeting and, as far as possible, at all other meetings of the stockholders, shall be as follows:

- (a) Call to Order
- (b) Proof of Notice of Meeting
- (c) Certification of Quorum
- (d) Approval of the Minutes of the Previous Meeting of Stockholders
- (e) Approval of Operations and Results
- (f) Ratification of all Acts of the Board of Directors
- (g) Election of Directors
- (h) Appointment of External Auditors
- (i) Other Matters
- (j) Adjournment

### **ARTICLE III** **BOARD OF DIRECTORS**

**SECTION 1. NUMBER AND TERM.--** The corporate powers of the Corporation shall be exercised, and the property and business of the Corporation shall be managed, by its Board of Directors, consisting of such number of members as provided for in the Articles of Incorporation, who shall be nominated by the Nomination Committee and elected at the annual meeting of the Stockholders to serve for a term of ONE (1) YEAR until their successors shall have been duly elected and qualified, provided, however, that at least two (2) members of the Board of Directors, or at least twenty percent (20%) of the total number of members thereof, whichever is the lesser, shall be independent as hereinafter defined. It shall be the responsibility of the Chairman of the stockholders meeting to inform all stockholders' in attendance of the mandatory requirement of electing independent directors. He shall ensure that independent directors are elected during the stockholders' meeting.

Specific slot/s for independent director/s shall not be filled-up by unqualified nominees.

In case of failure of election for independent director/s, the Chairman of the Meeting shall call a separate election during the same meeting to fill up the vacancy.

The Board may delegate its power of management and its prerogatives to a Committee or to one or more of its officers subject to such qualifications and limitations as the Board may impose.

**SECTION 2. QUALIFICATIONS.--** Each director shall possess all of the following qualifications:

- a) a holder of at least one (1) share of stock of the Corporation;
- b) at least a holder of a Bachelor's Degree, or to substitute for such formal education, must have adequate competency and understanding of business;
- c) of legal age; and;
- d) shall have proven to possess integrity and probity.

**SECTION 3. DISQUALIFICATIONS.--** The following persons shall be disqualified from being elected as members of the Board of Directors:

- a) any person finally convicted judicially of an offense involving corruption, fraud, embezzlement, theft, estafa, counterfeiting, misappropriation, forgery, bribery, false oath, perjury, or other fraudulent acts;
- b) any person finally found by the Securities and Exchange Commission (SEC) or a court or other administrative body to have willfully aided, abetted, counseled, induced or procured the violation of, any provision of the Securities Regulation Code (SRC), or any other law administered by the SEC or the Bangko Sentral ng Pilipinas (BSP);
- c) any person judicially declared to be insolvent;
- d) any person finally found guilty by a foreign court or equivalent financial regulatory authority of acts, violations or misconduct listed in the foregoing paragraphs ; and
- e) conviction by final judgment of an offense punishable by imprisonment for a period exceeding six (6) years, or a violation of the Corporation Code, committed within five (5) years prior to the date of his election or appointment.

**SECTION 4. ADDITIONAL REQUIREMENTS FOR INDEPENDENT DIRECTORS.--**

In addition to the foregoing qualifications and disqualifications, a director nominated and elected as independent director as required in Section 1 of this Article shall likewise meet the following requirements:

- a) is not director or officer of the Corporation or of its related companies or any of its substantial shareholders except when the same shall be independent director of any of the foregoing;
- b) does not own more than two percent (2%) of the shares of the Corporation and/or of its related companies or any of its substantial shareholders;
- c) is not related to any director, officer or substantial shareholder of the Corporation, any of its related companies or any of its substantial shareholder. For this purpose, relatives include spouse, parent, child, brother, sister, and the spouse of such child, brother or sister;
- d) Is not acting as a nominee or representative of any director or substantial shareholder of the Corporation, and/or any of its related companies and/or any of its substantial shareholders, pursuant to a deed of trust or under any contract or arrangements;

- e) has not been employed in any executive capacity by the Corporation, any of its related companies and/or by its substantial shareholder within the last five (5) years;
- f) is not retained as professional adviser of the Corporation, any of its related Companies and/of its substantial shareholder within the last five (5) years;
- g) is not retained, either personally or through his firm or any similar entity as professional adviser , by the Corporation, any of its related companies and/or any of its substantial shareholders, either personally or through his firm; or
- h) has not engaged and does not engage in any transaction with the Corporation and/or with any of its related companies and/or with any of its substantial shareholders, whether by himself and/or with other with other persons and/or through a firm of which are conducted at arms length and are immaterial.

For purposes of the foregoing, a "related company" of the Corporation shall be any of the following: (i) its parent company, (ii) its subsidiaries, or (iii) subsidiaries of its parent company. Also a "substantial shareholder"shall mean any person who, directly or indirectly, beneficially owns more than ten percent (10%) of any class security issued by the corporation.

**SECTION 5. PLACE OF MEETING.**-- The Board of Directors may hold its meeting at the principal office of the Corporation or at such other places within or outside the Philippines as the Chairman, or in his absence, the President may from time to time determine or shall be specified or fixed in the respective notices or waivers of notice thereof.

**SECTION 6. REGULAR MEETINGS.**-- Regular meetings of the Board of Directors shall be held at such places and at such times as the Chairman, or in his absence, the President shall from time to time to determine. If any day fixed for a regular meeting shall be a legal holiday at the place where the meeting is to be held, then the meeting which would otherwise be held on that day shall be held at the same hour or the next succeeding business day which is not a legal holiday. Notice of regular meetings need not be given.

**SECTION 7. SPECIAL MEETINGS.**-- Special meetings of the Board of Directors may be called upon by or at the request of the President or Chairman of the Board, or any director. The person or persons authorized to call special meetings of the Board of Directors may fix any place within the city or municipality where the principal office of the Corporation located as the place for holding any special meeting of the Board of Directors called by them.

**SECTION 8. QUORUM.**-- A majority of the number of directors fixed by Section 1 of this Article shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, but if less than such majority is present at a meeting, majority of the directors present may adjourn the meeting from time to time without further notice.

**SECTION 9. NOTICE**-- Notice of any special meeting shall be given at least two days prior to the said meeting by written notice delivered personally or mailed to each director at his business address or by telegram. If notice be given by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company. Any director may waive notice of any meeting, except when a director attends a meeting for the purpose of objecting to the transaction of any business because the meeting was not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

**SECTION 10. VACANCIES.**-- Any vacancy occurring in the Board of Directors by reason of death, resignation, retirement or disqualification except those vacancies arising from removal and expiration of term, may be filled by the affirmative vote of a majority of the remaining directors constituting a quorum, upon the nomination of the Nomination Committee, provided, that specific slots for the independent directors shall not be filled by unqualified nominees. A director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office.

**SECTION 11. RESIGNATIONS.**-- Any director of the Corporation may resign at anytime by giving written notice to the Chairman of the Board, the President, or the Secretary of the Corporation. The resignation of any director shall take effect at the time specified therein and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

**SECTION 12. REMOVAL OF DIRECTORS.**-- Any director may be removed, either with or without cause, at any time, by the affirmative vote of the stockholders holding or representing at least two-thirds (2/3) of the outstanding capital stock entitled to vote a regular or special meeting or at a special meeting of the stockholders called for the purpose to be held after due notices as provided in Section 28 of the Corporation Code. The vacancy in the Board caused by any such removal may be filled by the stockholders at such meeting without further notice, or at any special meeting called for the purpose after giving notice as prescribed by the Corporation Code.

**SECTION 13. COMPENSATION.**-- Except for reasonable per diems, directors shall be entitled to receive only such compensation as may be granted to them by the vote of the stockholders representing at least a majority of the outstanding capital stock at a regular or special meeting of the stockholders. In no case shall the total yearly compensation of directors, as such, exceed 10% of the net income before income tax of the Corporation during the preceding year.

#### **ARTICLE IV** **NOMINATION COMMITTEE**

**SECTION 1. COMPOSITION.**-- The Nomination Committee shall have at least three (3) members, one of whom is an independent director. The Nomination Committee shall (i) ensure that the Board of Directors has an appropriate balanced of required industry knowledge, expertise, and skills needed to govern the Corporation towards achieving its intended goals and objectives; (ii) review and evaluate all candidates nominated to Officer positions in the Corporation that require Board approval prior to effectivity of such officer appointments or promotions; and (iii) shortlist, assess, and evaluate all candidates nominated to become a member of the Board.

**SECTION 2. NOMINATION OF DIRECTORS.**-- Nomination of Directors shall be conducted by the Nomination Committee prior to a stockholders' meeting.

All nominations shall be submitted to the Nomination Committee by any stockholder on record on or before January 30 of each year to allow the Nomination Committee sufficient time to assess and evaluate the qualifications of the nominees.

All recommendations for the nomination of independent directors shall be signed by the nominating stockholders together with the acceptance and conformity by the would-be nominees.

**SECTION 3. LIST AND CANDIDATES.**-- After the nomination, the Committee shall prepare a list of candidates which shall contain all the information about all the nominees for election as the members of the Board of Directors, which list shall be made available to the SEC and to all stockholders through the filing and distribution of the Information Statement or Proxy Statement, or in such other reports as the Corporation will be required to submit to the SEC.

The name of the person or group pf persons who recommended the nomination of the independent director(s) shall be identified in such report including any relationship with the nominee.

Only nominees whose names appear on the list of candidates shall be eligible for election as directors. No other nominations for election as director shall be entertained after the List of Candidates shall have prepared and finalized. No further nominations for election as director shall be entertained or allowed on the floor during the actual annual stockholders' meeting.

## ARTICLE V EXECUTIVE COMMITTEE AND OTHER COMMITTEES

**SECTION 1. EXECUTIVE COMMITTEE.** -- The Board of Directors may, by resolution or resolutions passed by a majority of all its members, create an executive committee shall be members of the Board. Except as provided in Section 35 of the Corporation Code., the executive committee shall have and may exercise all powers of the Board. The executive committee shall keep regular minutes of its proceedings and report the same to the Board whenever required. The Board shall have the power to change the members of the executive committee at any time, to fill vacancies therein and to charge or dissolve such committee either with or without cause.

**SECTION 2. AUDIT COMMITTEE.** -- There shall be an Audit Committee composed of the members of the Board appointed by the Board of Directors. The Audit Committee shall audit the operations of the Corporations and to ensure that the Corporation and its Board of Directors comply with applicable laws and regulations of the Corporation. Shall receive compensation for each meeting attended in the amount to be determined by the Board of Director.

The Compensation and Remuneration Committee shall have the following duties and responsibilities:

- a) Establish a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration packages of corporate officers and directors, provide oversight over remuneration of senior management and other key personnel to ensure that the compensation levels are consistent with the Corporation's culture, strategy and control environment.
- b) Determine the amount of remuneration for the Corporation's directors and officers, which shall be in sufficient level to attract and retain personnel who are needed to run the company successfully.
- c) Insure that all incoming officers and directors disclose fully their existing business interests and shareholdings that may be directly or indirectly conflict with the performance of their intended duties and responsibilities, under the penalty of perjury.
- d) Disallow any director to decide his or her own remuneration.
- e) Provide management with a clear, concise and understandable disclosure of the compensation of the Corporation's executive officers for the previous fiscal year and the current year, which shall be incorporated in the Corporation's annual reports, information and proxy statements.
- f) Review the existing human resources development or personnel handbook or its equivalent, to strengthen provisions on conflict of interest, salaries and benefits policies, promotion and career advancement directives and compliance of personnel concerned with all statutory requirements. In the absence of such personnel handbook or its equivalent, the Committee, in coordination with the human resources department, shall develop such a handbook which shall cover the same parameters of governance stated above.

**SECTION 4. OTHER COMMITTEES.**-- The majority of all the members of the Board of Directors may be resolutions create other committees with such powers and functions as may be delegated to them by the Board. All such committees shall keep a record of their proceedings and report the same to the Board, whenever required. The Board shall have the power to appoint and remove the members of such committees and may at time with or without cause dissolve any of such committees.

## ARTICLE VI OFFICERS

**SECTION 1. OFFICERS.**-- The officers of the Corporation shall be a Chairman of the Board, one or more Vice Chairman, a President, Executive Vice-President, one or more Vice Presidents (the number thereof to be determined by the Board of Directors), a Treasurer, an Assistant Treasurer, a Secretary and an Assistant Secretary. The said officers shall be elected by the Board of Directors among its members except the Secretary, the Second and Succeeding Vice-Presidents, Assistant Treasurer and Assistant Secretary who may not be members of the Board. Such other officers and assistant officers such as Assistant Vice President as may be deemed necessary may be elected or appointed by the Board of Directors and such officers and assistant officers need not be members of the Board. Any member of the Board may hold one or more corporate positions at the discretion of the Board of Directors provided they are not inconsistent with each other.

**SECTION 2. ELECTION AND TERM OF OFFICE.**-- The officers of the Corporation shall be elected annually by the Board of Directors at the first meeting of the Board of Directors held after each annual meeting of the stockholders . If the election of officers shall not be held as aforesaid, then it shall be held as soon thereafter as conveniently may be. Each officer shall hold office until his successor shall have been duly elected and qualified.

**SECTION 3. REMOVAL.**-- Any officer may be removed, either with or without cause, by the vote of a majority of the whole Board of Directors.

**SECTION 4. RESIGNATIONS.**-- Any officers may resign at any time by given written notice to the Board of Directors, to the Chairman or Vice-Chairman of the Board or to the President. Any such resignation shall take effect on the date of receipt of such notice or at any later time specified therein; and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

**SECTION 5. VACANCIES.**-- A vacancy in office because of death, resignation, removal or disqualification, may be filled by the Board of Directors for the unexpired portion of the term.

**SECTION 6. POWER, DUTIES AND COMPENSATION.**-- The Board of Directors may prescribe the powers and duties and fix the compensation of the officers of the Corporation, where such powers and duties are not prescribed by the By-Laws.

**SECTION 7. CHAIRMAN OF THE BOARD.**-- the Chairman of the Board shall if present preside at all meetings of the Board of Directors and Stockholders and accordingly authenticate all minutes thereof in conjunction with the Secretary. He shall furthermore perform other duties or functions as may be delegated to him by the Board of Directors.

**SECTION 8. VICE-CHAIRMAN OF THE BOARD.**-- In the absence of the Chairman, any one of the Vice Chairmen of the Board, if present, shall preside at all meetings of the stockholders and of the Board of Directors. The Vice Chairman shall also perform such other duties as shall from time to time be assigned to him by the Board of Directors.

**SECTION 9. PRESIDENT.**-- The President shall be the principal executive officer of the Corporation and, subject to the control of the Board of Directors, shall in general supervise and control all of the business and affairs of the Corporation. He shall, in the absence of both the Chairman, any one of the Vice Chairmen of the Board, preside at all meetings of the Board of Directors and Stockholders. He shall sign, together with either the Treasurer or Executive Vice President or other officer designated by the Board, all checks, drafts, or other orders with respect to any funds of the Corporation maintained in any bank. He may likewise sign together with any proper officer of the Corporation thereunto authorized by these By-Laws or by the Board of Directors, certificates of stock of the Corporation, any deed, mortgage, bond, contract, or other instrument which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these By-Laws to some other officer of the Corporation, or shall be required by law to be otherwise signed and

executed; and in general shall perform all duties incident to the office of the President and such other duties as may be prescribed by the Board of Directors from time to time.

**SECTION 10. EXECUTIVE VICE-PRESIDENT.**-- In absence or disability of the President, the Executive Vice President shall perform the duties and exercise the powers of the President. He shall assist the President in the performance of his duties and subject to the general supervision of the President, he shall take direct charge of the business and affairs of the Corporation. He shall furthermore perform such other duties as from time to time may be assigned to him by the President of the Board of Directors.

**SECTION 11. VICE PRESIDENTS.**-- In the absence and disability of both the President and Executive Vice-President, the Vice-President (or in the event that there be more than one Vice-President, the Vice-Presidents in the order designated at the time of their election, or in the absence of designation, then in the order of their election) shall perform the duties and exercise the powers of the President. He shall furthermore, perform such other duties as from time to time may be assigned to him by the President , or Executive Vice-President or by the Board of Directors.

**SECTION 12. TREASURER.**-- The Treasurer shall have the custody of all the corporate funds and securities and shall keep full and accurate accounts of all receipts and disbursements in books belonging to the Corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the Corporation in such banks, trust companies or other depositories as shall be selected in accordance with provisions of Article VII of these By-Laws. He shall sign, together with either President or other officer designated by the Board, all checks, drafts or other orders with respect to any funds of the Corporation maintained in any bank. He shall render to the President and to the Board of Directors, whenever they may require, an account of all his transactions as Treasurer and of the financial condition of the Corporation.

**SECTION 13. ASSISTANT TREASURER.**-- During the absence and disability of the Treasurer, the Assistant Treasurer shall exercise all the functions of the Treasurer, and perform such other duties as are properly required of him by the Board of Directors.

**SECTION 14. SECRETARY.**-- The Secretary, who must be a citizen and resident of the Philippines, shall attend all meetings of the stockholders and the Board of Directors, and shall act as Secretary thereof and record the minutes of all proceedings in a book to be kept for that purpose and shall perform like duties for any Committee of the Board when required. He shall cause to be given notice of all meetings of the Directors and stockholders and shall perform such other duties as may pertain to his office. He shall keep in safe custody the seal of the Corporation and when authorized by the Board of Directors, affix it when required in any instrument.

**SECTION 15. ASSISTANT SECRETARY.**-- During the absence and disability of the Secretary, the Assistant Secretary, who must likewise be a citizen and resident of the Philippines, shall perform and exercise all the functions of the Secretary and perform such other duties as are properly required of him by the Board of Directors.

**SECTION 16. ASSISTANT VICE-PRESIDENTS.**-- The Board may appoint such number of Assistant Vice-Presidents as it may deem necessary whose tenure of office may be for a fixed period or for an indeterminate period of time. Their powers, compensation and functions shall be determined by the Board of Directors. They shall furthermore, perform such other functions as may be assigned by the President.

**SECTION 17. INDEMNIFICATION OF DIRECTORS AND OFFICERS.**-- The Corporation shall indemnify every director and officers, his heirs, executors and administrators against all costs and expenses reasonably incurred by such person in connection with any civil, criminal, administrative or investigative action, suit or proceeding (other than any action by the Corporation) to which he may be, or is, made a party by reason of his being or having been a

director or officer of the Corporation, except in relation to matters as to which he shall be finally adjudged in such action, suit or proceeding to be liable for negligence or misconduct.

In the event of a settlement or compromise, indemnification shall be provided only in connection with such matters covered by settlement as to which the Corporation is advised by counsel that the person to be indemnified did not commit a breach of duty as such director or officer.

The amount payable by way of indemnity shall be determined and paid only pursuant to a resolution adopted by a majority of the members of the Board of Directors.

The cost and expenses incurred in defending the aforementioned action, suit or proceeding may be paid by the Corporation in advance of the final disposition of such action, suit or proceeding as authorized in the manner provided for in the preceding paragraph upon receipt of an undertaking by on behalf of the director or officer to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Corporation as authorized in this Section.

## **ARTICLE VII LOANS, CHECKS AND DEPOSITS**

**SECTION 1. LOANS.** -- No loans shall be contracted on behalf of the Corporation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

**SECTION 2. CHECKS, DRAFTS, ETC.** -- All checks, drafts or other orders of the payment of money, notice or other evidences of indebtedness issued in the name of the Corporation shall be signed by any two (2) of the following officers: the President, the Executive Vice-President, or the Treasurer, or any one of them, together with any officer or officers designated by the Board.

**SECTION 3. DEPOSITS.** -- All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust companies, or other depositories as the Board of Directors may select.

## **ARTICLE VIII STOCK AND STOCK CERTIFICATES**

**SECTION 1. CERTIFICATES OF STOCK.** -- Certificates of Stock shall be issued in numerical order and each stockholder shall be entitled to a certificate signed by the President or the Executive Vice-President, and the Secretary or the Assistant Secretary, and countersigned by the Transfer Agent, certifying to the number of fully-paid-for number of shares owned by him.

**SECTION 2. TRANSFER OF STOCK.** -- Transfer of Stock shall be made only upon the stock and transfer books of the Corporation kept at the office of the Corporation or of respective Transfer Agents designated to transfer stock, and, before a new certificate is issued, the old certificate shall be surrendered for cancellation.

**SECTION 3. REGULATIONS.** -- The Board of Directors upon recommendation of the Corporation's Transfer Agent, shall have the power and authority to make all such rules and regulations as it may deem expedient concerning the issuance, transfer, conversion, and registration of certificates for shares of the capital stock of the Corporation not inconsistent with the Corporation Law of the Philippines and these By-Laws.

The Board of Directors shall appoint a Transfer Agent and shall require all stock certificates to bear the countersignature of such Transfer Agent.

**SECTION 4. CLOSING OF TRANSFER BOOKS.**-- Unless the rules of the SEC or the Philippine Stock Exchange, Inc. require a different period, the stock and transfer books of the Corporation may be closed for periods, not exceeding thirty (30) days, for the purpose of determining the stockholders entitled to vote in stockholders meetings, as from time to time may be fixed by the Board of Directors and during such periods no stock shall be transferable. The Stock and Transfer Book of the Corporation may similarly be closed for the purpose of determining the stockholders of record at any date designated by the Board of Directors entitled to dividends, if declared and payable.

**SECTION 5. LOST CERTIFICATES.**-- Any person claiming certificate of stock to be lost or destroyed, shall make an affidavit that effect and shall advertise the same in such manner as the Board may require and shall give the corporation a security in such amount or in such forms as may be approved by the Board. The Board, however, may dispense with such advertisement and such security, provided that requirements of the Corporation Code of the Philippines shall be complied with. The new certificate shall be plainly marked as duplicate certificate and shall be likewise be of the same tenor as the one alleged to be lost or destroyed.

**SECTION 6. SUBSCRIPTIONS.**-- Subscribers to the capital stock of the Corporation shall pay to the Corporation the subscription value of price of the stock in accordance with the terms and conditions prescribed by the Board of Directors. Unless otherwise provided in the subscription agreement, no interest shall accrue on subscriptions, until such subscription become due and payable.

**SECTION 7. DELINQUENT SHARES.**-- Should the subscriptions not be paid when due, either pursuant to a call or the subscription agreement, the stockholder shall be liable to pay interest on the amount due at the rate of Eighteen percent (18%) per annum, or at such rate may be fixed by the Board, computed from the date of payment is due until full payment is made.

Delinquent shares shall be subject to sale in accordance with the provisions with the Corporation Code.

## **ARTICLE IX** **MISCELLANEOUS**

**SECTION 1. INSPECTION OF ACCOUNTS.**-- The books of account and records of the Corporation shall be open to inspection by any member of the Board of Directors at all times. The stockholders may inspect the books of the Corporation shall begin on the first day of January and shall end on the last day of December each year.

**SECTION 2. FISCAL YEAR.**-- The fiscal year of the Corporation shall begin on the first day of January and shall end on the last day of December of each year.

**SECTION 3. DIVIDENDS.**-- Dividends upon the capital stock of the Corporation may be declared by the Board of Directors in the manner and form provided by law.

**SECTION 4. AMENDMENTS.**-- The stockholders, may, by the affirmative vote of a majority of all the subscribed or issued voting capital stock, and majority of the Board of Directors at any regular meeting or upon notice at any special meeting, alter, amend or repeal these By-Laws. The Board of Directors may likewise amend, alter or repeal By-Laws or adopt new By-Laws, at any regular or special meeting of the Board, if authorized by the stockholders as provided in Section 48 of the Corporation Code.

**SECTION 5. SEAL.**-- The seal of the Corporation shall be circular in form and shall bear the full name of the Corporation and indicate the year of incorporation. It may have such design or logos as may be approved by the Board of Directors of the Corporation.