



Rights of Shareholders

The Company recognizes that the most cogent proof of corporate governance is that which is visible to the eyes of its shareholders. Therefore, the provisions hereunder are issued for the guidance of all internal and external parties concerned, as governance covenant between the Company and all its shareholders.

A. For the protection of shareholders and minority interests, the Board shall be committed to respect the following rights of the stockholders:

(1) Voting Right

a) Shareholders shall have the right to elect, remove and replace Directors and vote on certain, in accordance with the Commercial Company Law.

b) Cumulative voting shall be used in the election of Directors.

c) A Director shall not be removed without cause, if it will deny minority shareholders of representation in the Board.

(2) Pre-Emptive Right : All stockholders shall have pre-emptive rights, unless the same is denied in the Articles of the Company, or an amendment thereto, of the Company. All stockholders shall have the right to subscribe to the capital stock of the Company. The Articles of Association shall lay down the specific rights and powers of the shareholders with respect to the particular shares they hold, all of which shall be protected by law so long as they shall not be in conflict with the AA

(3) Power of Inspection : Subject to reasonable restrictions in accordance with the AA and jurisprudence, all shareholders shall be allowed to inspect the corporate books and records of the Company, including minutes of Board meetings and stock registries, and shall be furnished with annual reports, including financial statements, without cost.

(4) Right to Information

a) The shareholders shall be provided, upon request, with periodic reports which disclose personal and professional information about the directors and officers of the Company, and certain other matters such as the directors' and officers' holdings of the Company's shares, dealings with the Company, relationships among directors and key officers of the Company, and the aggregate compensation of the directors and officers.

b) The minority shareholders shall have the right to propose the holding of a stockholder's meeting, and the right to propose items in the agenda of the meeting, provided that the items in the agenda are for legitimate business purposes. Legitimate business purposes shall include information on matters under the immediately succeeding subsection.





c) The minority shareholders shall have access to any and all information relating to matters for which the management is accountable for and should disclose to the shareholders.

(5) Right to Dividends

a) All shareholders shall have the right to receive dividends, subject to the discretion of the Board.

b) The Company shall be compelled to declare dividends when its retained earnings shall be in excess of one hundred percent (100%) of its paid-in capital stock except in the following cases:

(b.1) When justified by definite Company expansion projects or programs approved by the Board, or

(b.2) 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

(b.3) 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 a special reserve for probable contingencies.

(6) Appraisal Right: The shareholders shall have appraisal right or the right to dissent and demand payment of the fair value of their shares under any of the following circumstances:

a) In case an amendment to the Articles of Association of the Company has the effect of changing or restricting the rights of any stockholders or class of shares, or of authorizing preferences in any respects superior to those of outstanding shares of any class, or of extending or shortening the term of company existence;

b) In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the company property and assets as provided in the Company books; and

c) In case of merger or consolidation.

It shall be the duty of the Board to promote shareholder rights, remove impediments to exercise of shareholders' rights, and allow possibilities to seek redress for violation of their rights. The Board shall encourage the exercise of shareholders' voting rights and the solution of collective action problems through appropriate mechanisms. The Board shall pave the way for the electronic filing and distribution of shareholder information necessary to make informed decisions, subject to legal constraints.

