

## **RIGHTS OF SHAREHOLDERS**

### ***all shares, equal voting rights***

The Company's corporate governance framework protects and facilitates the exercise of basic shareholder rights. It maintains a share structure that gives all shares equal voting rights.

#### **Dividend**

The Company is committed to providing reasonable economic returns to the investors through the right to participate in its profits. It has been consistently paying out cash dividends more than its dividend policy of 20% of preceding year's Net Income After Tax (NIAT) since its domestic and international shares offering in 2005. On April 30, 2013, the Board approved and declared cash dividends of P 12.00 per share or P4.28 billion representing 81% of 2012's NIAT. All shareholders are treated equitably in the timing of receipt of dividends and are fully paid of the declared cash dividends within thirty (30) days from declaration date, i.e. on May 29, 2013.

#### **Voting Rights**

The Company respects the right of a shareholder to participate, be informed and vote in key decisions in our Annual Shareholders' Meeting (ASM). Shareholders are furnished with sufficient and timely information concerning the ASM date, location, agenda including the rules and voting procedures that govern such meetings in the Notice of ASM and accompanying SEC Form 20-IS Information Statement. Fundamental corporate changes and governance matters requiring approval during shareholder meetings include, among others :

- Amendments to the Company's constitution and similar governing documents  
The Company is seeking shareholder approval in its Notice of 2014 ASM for amendment to its Articles of Incorporation regarding change in corporate name and complete principal address, and amendment of its By-Laws increasing the Board attendance quorum requirement from majority to two-thirds (2/3).
- Authorization of additional shares  
The Company is seeking shareholder approval in its Notice of 2014 ASM for amendments to its Articles of Incorporation regarding an increase in authorized capital stock.
- Extraordinary transactions, including transfer or sale of all or substantially all of the Company's assets, sale of a business unit or subsidiary that accounts for a majority portion of the Company's assets  
In case of such matter, the Company shall observe fair treatment of all shareholders and undertake due diligence process in matters concerning mergers and acquisitions, including having an independent valuation report on fair value and equitable terms and conditions for all shareholders.
- Remuneration (per diem, fees) of non-executive Directors  
The Company sought shareholder approval for the amount of fixed annual retainer fee for Directors during the 2009 ASM. There has been no change in the director fees to date.
- Nomination by non-controlling shareholders of candidates for Board Directors  
The Company accords non-controlling shareholders the right to nominate candidates for board directorships as part of the nomination process and procedures. In 2013, such nomination for Independent Directors by a minority shareholder has been appropriately disclosed in your Company's SEC 20-IS.
- Election of Directors individually  
The Company includes election of members of the Board for shareholder participation as a regular agenda item in the ASM.
- Appointment, re-appointment of external auditor  
The appointment or re-appointment of the independent external auditor is voted on by the shareholders regularly in the ASM.

#### **Institutional Investors**

The Company recognizes its contributory role as a listed company in the development of the Philippine capital market. It espouses an openness to outside investors with institutional investors holding more than 5% of Company shares as per PSE Disclosure 17-12 Top 100 Stockholders List. It encourages shareholders, including institutional investors, to attend and participate at the ASM, and ensures such meeting is held at an easily accessible venue.

**Other Shareholder Rights**

The Company respects other shareholder rights as provided for in the Corporation Code, specifically, to inspect corporate books and records, to information, to dividends and appraisal right.