MEMORANDUM

TO : LISTED COMPANIES
SUBJECT : MODES OF STOCKHOLDER PARTICIPATION DURING ASM
DATE : March 9, 2020

In light of public health concerns relating to the coronavirus disease 2019 (COVID-19) outbreak, the Exchange is formulating measures to prevent further spread of the virus. The Exchange is also in close coordination with the Securities and Exchange Commission (“SEC”) on how to address regulatory issues that may arise due to the COVID-19 outbreak, particularly for listed companies which have forthcoming annual stockholders meetings (“ASM”).

To mitigate the risk of contracting COVID-19, stockholders may prefer to participate in the ASM and vote through remote communication, instead of a face-to-face meeting.

We note that the Revised Corporation Code\(^1\) recognizes the right of stockholders to vote through remote communication or \textit{in absentia} when so authorized in the by-laws or by a \textbf{majority of the board of directors}. It is incumbent upon corporations allowing voting through remote communication or \textit{in absentia} to establish the appropriate requirements and procedures for voting through such modes, taking into account the company’s size, number of shareholders, structure, and other relevant factors. For corporations vested with public interest such as publicly-listed companies, stockholders may vote in the election of directors through remote communication or \textit{in absentia}, notwithstanding the absence of a provision to that effect in the by-laws.\(^2\)

Finally, please take note that SEC Memorandum Circular No. 3, series of 2020, mandates the sending of written notice of regular meetings to all stockholders of record at least twenty-one (21) calendar days prior to the date of the meeting. The written notice must contain all information and deadlines relevant to the stockholders’ participation in the meeting and exercise of the right to vote remotely.

The foregoing is without prejudice to the continuing discussions between the Exchange and SEC on appropriate safeguards and other requirements as may be necessary for investor protection.

\textit{(Original Signed)}

\textbf{Ramon S. Monzon}

\textit{President and CEO}

\(^1\) Section 57 of the Revised Corporation Code.

\(^2\) Section 23 of the Revised Corporation Code.