



REPUBLIC OF THE PHILIPPINES  
**SECURITIES AND EXCHANGE COMMISSION**  
The SEC Headquarters  
7907 Makati Avenue, Salcedo Village,  
Barangay Bel-Air, Makati City, 1209, Metro Manila



COMPANY REG. NO.: 0000054666

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

**KNOW ALL PERSONS BY THESE PRESENTS:**

**THIS IS TO CERTIFY** that the Amended By-Laws of the

**SHAKEY'S PIZZA ASIA VENTURES INC.**

copy annexed, adopted on May 2, 2024 by majority vote of the Board of Directors and on June 20, 2024 by the vote of at least two-thirds (2/3) 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 The SEC Headquarters, 7907 Makati Avenue, Salcedo Village, Barangay Bel-Air, Makati City, 1209, Metro Manila, this 17th day of March, Two Thousand Twenty-Five.



  
**DANIEL P. GABUYO**  
Assistant Director  
Company Registration and Monitoring Department



**AMENDED  
CODE OF BY - LAWS**

**OF**

**SHAKEY'S PIZZA ASIA VENTURES INC.<sup>1</sup>  
(Formerly: International Family Food Services, Inc.)**

**ARTICLE I  
DEFINITION AND ABBREVIATIONS**

Sec. 1.01. "Corporation" means the International Family Food Services, Inc.

Sec. 1.02. "Corporation Law" when used in the text, means Act No. 1459, as amended from time to time.

Sec. 1.03. "By-Laws" means this Code of By-Laws of the Corporation, and any further amendments thereto.

Sec. 1.04. "Board" means the Board of Directors of the Corporation.

**ARTICLE II  
SEAL**

Sec. 2.01. The Corporate Seal of the Corporation shall have such design and features as the Board may prescribe.

**ARTICLE III  
SHARES AND STOCK AND THEIR TRANSFER**

Sec. 3.01. Certificate of Stock. - Certificates for shares of the capital stock of the Corporation shall be in such form as shall be approved by the Board. They shall be numbered in the order of their issue, and shall be signed by the President, or in his absence, the Vice President, and the Secretary of the Corporation and sealed with the corporate seal. All certificates shall be issued in consecutive order therefrom and on the stub of each certificate issued shall be entered the number of the certificate, the name of the person owning the shares represented thereby, the number of shares and the date thereof. Every certificate exchanged or returned to the Corporation shall be marked on the face thereof "CANCELLED" and shall immediately be pasted upon the stub in the certificate book containing the memorandum of its issue.<sup>2</sup>

Sec. 3.02. Transfer of Shares. - The Board shall have the power and authority to make all such rules and regulations not inconsistent with law or with these By-Laws as it may deem expedient concerning the issue, transfer and registration of the certificates of stock.

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<sup>1</sup> As amended on September 22, 2016.

<sup>2</sup> As amended on 9 March 1982.

Sec. 3.03. Lost or Destroyed Certificates. - The replacement of any stock certificate alleged to have been lost, stolen or destroyed shall be accomplished in accordance with the procedure prescribed under Section 73 of the Corporation Code and any subsequent amendments thereto.<sup>3</sup>

Sec. 3.04. Close of Stock and Transfer Book. - The Stock and Transfer Book of the Corporation shall be closed for transfer during a period of five (5) days next preceding any annual or special stockholder's meeting.

Sec. 3.05. Unpaid Subscriptions. - Unless otherwise provided by the Board, no interest shall accrue on unpaid subscriptions until delinquent.

#### ARTICLE IV

##### OFFICE

Sec. 4.01. The office of the Corporation shall be located in Metro Manila, Philippines. The Board may also, from time to time, establish and/or maintain branches in other parts of the Philippines or abroad when the business activities of the Corporation so require and after compliance with any governmental requirements.<sup>4</sup>

#### ARTICLE V

##### MEETING OF STOCKHOLDERS

Sec. 5.01. Annual Meetings. - The annual meetings of the stockholders for the election of Directors and for the transaction of general business shall be held at the principal office of the Corporation or at any place in the city or municipality where the principal office of the Corporation is located, at the discretion of the Board, on the 20<sup>th</sup> of June of each year.<sup>5</sup>

Sec. 5.02. Special Meetings. - Special meetings of the stockholders may be at called at any time by resolutions of the Board or by order of the President or upon the written request of stockholders registered as the owners of one-third (1/3) of the Corporation's outstanding capital stock.

Sec. 5.03. Notice of Meetings. - Notices for the meetings shall be sent by the Secretary by personal delivery, by mail or electronic message at least twenty-one (21) days for regular and special meetings, or such number of days as may be required under relevant rules and regulations, prior to the date of the meeting, to each stockholder of record at his last known address. The notice shall state the place, date and hour of the meeting, and the purpose for which the meeting is called. (As amended by the Board of Directors on May 2, 2024 and by the Stockholders on June 20, 2024)

When the meeting of stockholders is adjourned to another time or place, it shall not be necessary to give any notice of the adjourned meeting if the time and place to which the meeting is adjourned are announced at the meeting at which the adjournment

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<sup>3</sup> As amended on September 22, 2016.

<sup>4</sup> As amended on September 22, 2016.

<sup>5</sup> As amended by the Board of Directors on April 24, 2018 and by the stockholders on August 16, 2018.

is taken. At the reconvened meeting, any business day may be transacted that might have been transacted on the original date of the meeting.<sup>6</sup>

Sec. 5.04. Quorum. – Unless otherwise prescribed by the Corporation Code of the Philippines, a quorum at any meeting of the stockholders shall consist of a majority of the outstanding voting stock of the Corporation represented in person or by proxy, save and except in those several matters in which the laws of the Philippines require the affirmative vote of a greater proportion. In the absence of a quorum, the meeting shall be adjourned for a period of not exceeding twenty (20) days without need to give any notice of the adjourned meeting if the time and place to which the meeting is adjourned are announced at the meeting at which the adjournment is taken. At the reconvened meeting, any business may be transacted that might have been transacted on the original date of the meeting.<sup>7</sup>

Sec. 5.05. Conduct of Meeting. – At all meetings of stockholders, the President, or in his absence the Vice President, shall act as Chairman of the meeting. The Secretary of the Corporation shall act as Secretary of all meetings of stockholders and, in his absence, the Chairman of the meeting may appoint any person to act as Secretary.

Sec. 5.06. Voting. – The stockholders may vote at all meetings the number of shares registered in their respective names, either in person or by proxy duly appointed as herein provided. The vote at election of Directors shall be by ballot unless all the stockholders, present in person or by proxy, shall agree to a viva voce vote.

**Stockholders may also vote via remote communication or in absentia, in which case they shall be deemed present for purposes of quorum. Provided, however, that the votes are received by the Secretary before the Corporation finishes the tally of votes. (As amended by the Board of Directors on May 2, 2024 and by the Stockholders on June 20, 2024)**

Sec. 5.07. Proxies. Any stockholder entitled to vote at any meeting of stockholders may vote either in person or by proxy. Every proxy shall be in writing, signed by the stockholder or his duly authorized attorney-in-fact, and dated, but need not be sealed, witnessed or acknowledged. All proxies must be duly presented to the Secretary for inspection and record at least ten (10) days before the time set for the meeting. Revocation of proxies shall be done either in writing duly presented and recorded with the Secretary prior to the scheduled meeting or by the stockholder's personal presence at the meeting.

A forum for the validation of proxies chaired by the Corporate Secretary or Assistant Corporate Secretary and attended by the Stock Transfer Agent shall be convened seven (7) days before any meeting. Any questions and issues relating to the validity and sufficiency, both as to form and substance, of proxies shall only be raised during said forum and resolved by the Corporate Secretary. The Corporate Secretary's decision shall be final and binding upon the shareholders. Any such question or issue decided upon the Corporate Secretary shall be deemed settled and those not brought

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<sup>6</sup> As amended on September 22, 2016.

<sup>7</sup> As amended on September 22, 2016.

before said forum shall be deemed waived and may no longer be raised during the stockholders' meeting.<sup>8</sup>

Sec. 5.08. Order of Business. - The order of business at all annual meetings of stockholders shall be, as far as applicable and practicable, as follows:

- (1) Call of order.
- (2) Certification of notice and determination of quorum.
- (3) Approval of the minutes of previous meeting.
- (4) Report of the President.
- (5) Approval and ratification of all acts and proceedings of the Board of Directors, the Board Committees and Management during their respective term of offices.
- (6) Election of Directors.
- (7) Appointment of External Auditor.
- (8) Other matters.
- (9) Adjournment.<sup>9</sup>

Sec. 5.09. Nominations. - All nominations for directors to be elected by the stockholders of the Corporation shall be submitted in writing to the Corporate Secretary of the Corporation at the principal place of office of the Corporation not earlier than forty (40) business days nor later than twenty (20) business days prior to the date of the regular or special meeting of stockholders for the election of directors. Nominations which are not submitted within such nomination period shall not be valid. Only a stockholder of record entitled to notice of and vote at the regular or special meeting of the stockholders for the election of the directors shall be qualified to be nominated and elected a director of the Corporation.<sup>10</sup>

## ARTICLE VI BOARD OF DIRECTORS

Sec. 6.01. Powers of the Board. Unless otherwise provided by law, the corporate powers of the corporation shall be exercised, all business conducted and all property of the corporation controlled and held by the Board of Directors

Without prejudice to such powers as may be granted by law, the Board of Directors shall also have the following powers:

- a. From time to time, to make and change rules and regulations not inconsistent with these by-laws for the management of the corporation's business and affairs;
- b. To purchase, receive, take or otherwise acquire for and in the name of the corporation, any and all properties, rights, or privileges, including securities and bonds of other corporations for such consideration and upon such terms and conditions as the Board may deem proper or convenient;

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<sup>8</sup> As amended on September 22, 2016.

<sup>9</sup> As amended on September 22, 2016.

<sup>10</sup> As amended on September 22, 2016.

- c. To invest the funds of the corporation in other corporations or for purposes other than those for which the corporation was organized, subject to such stockholders' approval as may be required by law;
- d. To incur such indebtedness as the Board may deem necessary, to issue evidence of indebtedness including without limitation, notes, deed of trust, bonds, debentures, or securities, subject to such stockholders approval as may be required by law, and/or pledge, mortgage, or otherwise encumber all or part of the properties of the corporation;
- e. To establish pension, retirement, bonus or other types of incentives or compensation plans for the employees, including officers and directors of the corporation;
- f. To prosecute, maintain, defend, compromise or abandon any lawsuit in which the corporation or its officer either plaintiffs or defendants in connection with the business of the corporation;
- g. To delegate, from time to time, any of the powers of the Board which may lawfully be delegated in the course of the current business of the corporation to any standing or special committee or to any officer or agent and to appoint any person to be agent of the corporation with such powers and upon such terms as may be deemed fit;
- h. To implement these by-laws and to act in any matter not covered by these by-laws, provided such matter does not require the approval or consent of the stockholders under the Corporation Code;
- i. Create committees and other bodies it may deem advantageous and necessary in running the affairs of the corporation.<sup>11</sup>

Sec. 6.02. Election of Directors. – The election of Directors shall be held at each annual meeting of stockholders and shall be conducted in the manner provided by the Corporation Code of the Philippines, and with such formalities and in such manner as the laws of the Philippines, the Code of By-laws may require or provide, or as the officer presiding at the meeting shall then and there determine. Each Director shall hold office until the annual meeting held next after his election and until his successor shall have been duly chosen and qualified, or until he shall have resigned, disqualified or become ineligible.

The business and property of the Corporation shall be conducted and managed by its Board of Directors which, as provided by the Corporation Code of the Philippines, shall exercise all the powers of the Corporation except such as are by statute conferred upon or reserved to the stockholders.<sup>12</sup>

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<sup>11</sup> As amended on September 22, 2016.

<sup>12</sup> As amended on September 22, 2016.

Sec. 6.03. Nomination. - In addition to the qualifications required under the Corporation Code of the Philippines and the Securities and Regulation Code, the Board of Directors may provide for qualifications, which include, among others, the following:

- (i) college education or equivalent academic degree;
- (ii) practical understanding of the business of the Corporation;
- (iii) membership in good standing in relevant industry, business or professional organization; and
- (iv) previous business experience.

Any registered stockholder may be nominated and elected to the Board of Directors, subject to the guidelines on nominations to be promulgated by the Nomination Committee in Sec. 7.01.<sup>13</sup>

Sec. 6.04. Independent Director -

- a. The Board shall have at least three (3) independent directors, or such number as to constitute at least one-third of the members of the Board, whichever is higher. An independent director may only serve for a maximum cumulative term of nine (9) years. Independent director means a person who, apart from his fees and shareholdings, is independent of management and free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with his exercise of independent judgment in carrying out his responsibilities as a director in any corporation that meets the requirements of Section 17.2 of the Securities Regulation Code and includes, among others, any person who:
  - i. Is not a director or officer or substantial stockholder of the corporation or of its related companies or any of its substantial shareholders (other than as an independent director of any of the foregoing);
  - ii. Is not a relative of any director, officer or substantial shareholder of the corporation, any of its related companies or any of its substantial shareholders. For this purpose, relatives include spouse, parent, child, brother, sister, and the spouse of such child, brother or sister;
  - iii. Is not acting as a nominee or representative of a substantial shareholder of the corporation, any of its related companies or any of its substantial shareholders;
  - iv. Has not been employed in any executive capacity by that public company, any of its related companies or by any of its substantial shareholders within the last five (5) years;
  - v. Is not retained as professional adviser, auditor, consultant, agent or counsel by that public company, any of its related companies or any of its substantial shareholders, or is otherwise independent management and free from any business or other relationship within the three (3) years immediately preceding the date of his election, either personally or through his firm;

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<sup>13</sup> As amended on September 22, 2016.

- vi. Has not engaged and does not engage in any transaction with the corporation or with any of its related companies or with any of substantial shareholders, whether by himself or with other persons or through a firm of which he is a partner or a company of which he is a director or substantial shareholder, other than transactions which are conducted at arm's length and are immaterial or insignificant.
  - vii. Is not an owner of more than two (2%) percent of the outstanding shares of the covered company, its subsidiaries, associates, affiliates or related companies;
  - viii. Is not a securities broker-dealer of listed companies and registered issuers of securities. "Securities broker-dealer" refers to any person holding any office of trust and responsibility in a broker-dealer firm, which includes, among others, a director, officer, principal stockholder, nominee of the firm to the Exchange, an associated person or salesman, and an authorized clerk of the broker or dealer;
  - ix. Is not affiliated with any non-profit organization that receives significant funding from the covered company or any of its related companies or substantial shareholders; and
  - x. Is not employed as an executive officer of another company where any of the public company's executives serve as directors.
- b. When used in relation to a company subject to the requirements above:
- i. Related company means another company which is: (a) its holding company, (b) its subsidiary, or (c) a subsidiary of its holding company; and
  - ii. Substantial shareholder means any person who is directly or indirectly the beneficial owner of more than ten percent (10%) of any class of its equity security.
- c. The independent director shall have the following qualifications:
- i. He shall have at least one (1) share of stock of the Corporation;
  - ii. He shall be at least a college graduate or he shall have been engaged or exposed to the business of the Corporation for at least five (5) years;
  - iii. He shall possess integrity/probity; and
  - iv. He shall be assiduous.
- d. The nomination of independent director shall be conducted by the Corporate Governance Committee prior to a stockholders' meeting. All recommendations shall be signed by the nominating stockholders together with the acceptance and conformity by the would-be nominees.



- e. After the nomination, the Corporation Governance Committee shall prepare a Final List of Candidates which shall contain all the information about all the nominees for independent directors. The list shall be made available to the Securities and Exchange Commission and to all stockholders through the filing and distribution of the Information Statement or Proxy Statement, or in such other reports the Corporation is required to submit to the Commission. The name of the person or group of persons who recommended the nomination of the independent director shall be identified in such report including any relationship with the nominee.
- f. Only nominees whose names appear on the Final List of Candidates shall be eligible for election as an Independent Director. No other nomination shall be entertained after the Final List of Candidates shall have been prepared. No further nomination shall be entertained or allowed on the floor during the actual annual stockholders' meeting.
- g. It shall be the responsibility of the Chairman of the Meeting to inform all stockholders in attendance of the mandatory requirement of electing an independent director. He shall ensure that an independent director is elected during the stockholders' meeting.
- h. The specific slot for independent directors shall not be filled-up by unqualified nominees.

In case of failure of election for the independent director, the Chairman of the Meeting shall call a separate election during the same meeting to fill up the vacancy. (As amended by the Board of Directors on May 18, 2017 and by the Stockholders on July 20, 2017)

**Sec. 6.05. First Regular Meeting.** – After each meeting of stockholders at which a Board shall have been elected, the Board so elected shall meet as soon as practicable for the purpose of organization by election of officers and the transaction of other business.<sup>14</sup>

**Sec. 6.06. Additional Regular Meetings.** – In addition to the first regular meeting, regular meetings of the Board shall be held on such dates and at such places as may be fixed, from time to time, by said Board.

**Sec. 6.07. Special Meetings.** – Special meetings of the Board shall be held whenever called either by the Chairman or the President or by written request of any three (3) Directors. Such meetings may be held at any place designated in the calls therefor. Such special meetings may be held at any time and place without notice by the unanimous written consent of all the members of the Board, or with the presence and participation of all the members of the Board then present in the Philippines.<sup>15</sup>

**Sec. 6.08. Notice of Meetings.** – No notice of regular meetings of the Board need to be given. Notice of the place, day and time of every special meeting shall be communicated to each Director at least two (2) days before the meeting by telephone,

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<sup>14</sup> As amended on September 22, 2016.

<sup>15</sup> As amended on September 22, 2016.

electronic mail or delivering the same to him personally or by leaving the same at his residence or usual place of business. A director may waive this requirement, either expressly or impliedly.<sup>16</sup>

Sec. 6.09. Quorum. - A quorum at any meeting of the Board shall consist of a majority of the Directors and every decision of a majority of such quorum duly assembled as a Board shall be valid as a corporate act.

Sec. 6.10. Vacancies. - Any vacancy occurring in the Board of Directors other than by removal by the stockholders or by expiration of terms, may be filled by the vote of at least a majority of the remaining directors, if still constituting a quorum; otherwise, the vacancy must be filled by election at the same meeting of the stockholders called for the purpose. A director so elected to fill a vacancy shall be elected only for the unexpired of his predecessor in office.<sup>17</sup>

Sec. 6.11. Disqualification. - In addition to the grounds for disqualification in the Manual of Corporate Governance, no person shall qualify or be eligible for nomination or election to the Board of Directors if he is engaged in any business which competes with or is antagonistic to that of the Corporation. Without limiting the generality of the foregoing, a person shall be deemed to be so engaged:

- (a) If he is an officer, manager or controlling person of, or the owner (either of record or beneficially) of 5% or more of any outstanding class of shares of, any corporation (other than one in which the Corporation owns at least 30% of the capital stock) engaged in a business which the Board, by at least three-fourths (3/4) vote, determines to be competitive or antagonistic to that of the Corporation;
- (b) If he is an officer, manager or controlling person of, or the owner (either of record or beneficially) of 5% or more of any outstanding class of shares of, any other corporation or entity engaged in any line of business of the Corporation, when in the judgment of the Board, by at least three-fourths (3/4) vote, the laws against combinations in restraint of trade shall be violated by such person's membership in the Board of Directors; or
- (c) If the Board, in the exercise of its judgment in good faith, determines by at least three-fourths (3/4) vote, that he is acting for or the nominee of any person set forth in (a) or (b). In determining whether or not a person is a controlling person, beneficial owner, or the nominee of another, the Board may take into account such factors as business and family relations.<sup>18</sup>

## ARTICLE VII

### COMMITTEES AND AGENTS

Section 7.01. Audit Committee - There shall be an Audit Committee composed of at least three (3) appropriately qualified non-executive directors, the majority of

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<sup>16</sup> As amended on September 22, 2016.

<sup>17</sup> As amended on September 22, 2016.

<sup>18</sup> As amended on September 22, 2016.

whom, including the Chairman, should be independent. All of the members of the committee must have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance. The Chairman of the Audit Committee should not be the chairman of the Board or of any other committees. The Audit Committee has the following duties and responsibilities, among others:

- a. Recommends the approval of the Internal Audit Charter (IA Charter), which formally defines the role of Internal Audit and the audit plan as well as oversees the implementation of the IA Charter;
- b. Through the Internal Audit (IA) Department, monitors and evaluates the adequacy and effectiveness of the corporation's internal control system, integrity of financial reporting, and security of physical and information assets. Well-designed internal control procedures and processes that will provide a system of checks and balances should be in place in order to (a) safeguard the company's resources and ensure their effective utilization, (b) prevent occurrence of fraud and other irregularities, (c) protect the accuracy and reliability of the company's financial data, and (d) ensure compliance with applicable laws and regulations;
- c. Oversees the Internal Audit Department, and recommends the appointment and/or grounds for approval of an internal audit head or Chief Audit Executive (CAE). The Audit Committee should also approve the terms and conditions for outsourcing internal audit services;
- d. Establishes and identifies the reporting line of the Internal Auditor to enable him to properly fulfill his duties and responsibilities. For this purpose, he should directly report to the Audit Committee;
- e. Reviews and monitors Management's responsiveness to the Internal Auditor's findings and recommendations;
- f. Prior to the commencement of the audit, discusses with the External Auditor the nature, scope and expenses of the audit, and ensures the proper coordination if more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts;
- g. Evaluates and determines the non-audit work, if any, of the External Auditor, and periodically reviews the non-audit fees paid to the External Auditor in relation to the total fees paid to him and to the corporation's overall consultancy expenses. The committee should disallow any non-audit work that will conflict with his duties as an External Auditor or may pose a threat to his independence (as defined under the Code of Ethics for Professional Accountants). The non-audit work, if allowed, should be disclosed in the corporation's Annual Report and Annual Corporate Governance Report;
- h. Reviews and approves the Interim and Annual Financial Statements before their submission to the Board, with particular focus on the following matters:
  - Any change/s in accounting policies and practices
  - Areas where a significant amount of judgment has been exercised

- Significant adjustments resulting from the audit
  - Going concern assumptions
  - Compliance with accounting standards
  - Compliance with tax, legal and regulatory requirements
- i. Reviews the disposition of the recommendations in the External Auditor's management letter;
  - j. Performs oversight functions over the corporation's Internal and External Auditors. It ensures the independence of Internal and External Auditors, and that both auditors are given unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions;
  - k. Coordinates, monitors and facilitates compliance with laws, rules and regulations; and
  - l. Recommends to the Board the appointment, reappointment, removal and fees of the External Auditor, duly accredited by the Commission, who undertakes an independent audit of the corporation, and provides and objective assurance on the manner by which the financial statements should be prepared and presented to the stockholders.

The Audit Committee meets with the Board at least every quarter without the presence of the CEO or other management team members, and periodically meets with the head of the internal audit. (As amended by the Board of Directors on May 18, 207 and by the Stockholders on July 20, 2017)

Sec. 7.02. Corporate Governance Committee - There shall be a Corporate Governance Committee composed of at least three (3) members, all of whom should be independent directors, including the Chairman. The Corporate Governance Committee has the following duties and functions, among others:

- a. Oversees the implementation of the corporate governance framework and periodically reviews the said framework to ensure that it remains appropriate in light of material changes to the corporation's size, complexity and business strategy, as well as its business and regulatory environments;
- b. Oversees the periodic performance evaluation of the Board and its committees as well as executive management, and conducts an annual self-evaluation of its performance;
- c. Ensures that the results of the Board evaluation are shared, discussed, and that concrete action plans are developed and implemented to address the identified areas for improvement;
- d. Recommends continuing education/training programs for directors, assignment of tasks/projects to board committees, succession plan for the board members and senior officers, and remuneration packages for corporate and individual performance;



- e. Adopts corporate governance policies and ensures that these are reviewed and updated regularly, and consistently implemented in form and substance;
- f. Proposes and plans relevant trainings for the members of the Board;
- g. Determines the nomination and election process for the company's directors and has the special duty of defining the general profile of board members that the company may need and ensuring appropriate knowledge, competencies and expertise that complement the existing skills of the Board; and
- h. Establishes a formal and transparent procedure to develop a policy for determining the remuneration of directors and officers that is consistent with the corporation's culture and strategy as well as the business environment in which it operates. (As amended by Board of Directors on May 18, 2017 and by the Stockholders on July 20, 2017)

Sec. 7.03. Board Risk Oversight Committee - There shall be a Board Risk Oversight Committee (BROC) composed of at least three (3) members, the majority of whom should be independent directors, including the Chairman. The Chairman should not be the Chairman of the Board or of any other committee. At least one member of the committee must have relevant thorough knowledge and experience on risk and risk management. The Board Risk Oversight Committee has the following duties and responsibilities, among others:

- a. Develops a formal enterprise risk management plan which contains the following elements: (a) common language or register of risks, (b) well-defined risk management goals, objectives and oversight, (c) uniform processes of assessing risks and developing strategies to manage prioritized risks, (d) designing and implementing risk management strategies, and (e) continuing assessments to improve risk strategies, processes and measures;
- b. Oversees the implementation of the enterprise risk management plan through a Management Risk Oversight Committee. The BROC conducts regular discussions on the company's prioritized and residual risk exposures based on regular risk management reports and assesses how the concerned units or offices are addressing and managing these risks;
- c. Evaluates the risk management plan to ensure its continued relevance, comprehensiveness and effectiveness. The BROC revisits defined risk management strategies, looks for emerging or changing material exposures, and stays abreast of significant developments that seriously impact the likelihood of harm or loss;
- d. Advises the Board on its risk appetite levels and risk tolerance limits;
- e. Reviews at least annually the company's risk appetite levels and risk tolerance limits based on changes and developments in the business, the regulatory framework, the external economic and business environment, and when major events occur that are considered to have major impacts on the company;

- f. Assesses the probability of each identified risk becoming a reality and estimates its possible significant financial impact and likelihood of occurrence. Priority areas of concern are those risks that are the most likely to occur and to impact the performance and stability of the corporation and its stakeholders;
- g. Provides oversight over Management's activities in managing credit, market, liquidity, operational, legal and other risk exposures of the corporation. This function includes regularly receiving information on risk exposures and risk management activities from Management; and
- h. Reports to the Board on a regular basis, or as deemed necessary, the company's material risk exposures, the actions taken to reduce the risks, and recommends further action or plans, as necessary. (As amended by Board of Directors on May 18, 2017 and by the Stockholders on July 20, 2017)

Sec. 7.04. Related Party Transaction Committee - There shall be Related Party Transaction (RPT) Committee composed of at least three (3) non-executive directors, two of whom should be independent, including the Chairman. The following are the functions of the RPT Committee, among others:

- a. Evaluates on an ongoing basis existing relations between and among businesses and counterparties to ensure that all related parties are continuously identified, RPTs are monitored, and subsequent changes in relationships with counterparties (from non-related to related and vice versa) are captured. Related parties, RPTs and changes in relationships should be reflected in the relevant reports to the Board and regulators/supervisors;
- b. Evaluates all material RPTs to ensure that these are not undertaken on more favorable economic terms (e.g., price, commissions, interest rates, fees, tenor, collateral requirement) to such related parties than similar transactions with nonrelated parties under similar circumstances and that no corporate or business resources of the company are misappropriated or misapplied, and to determine any potential reputational risk issues that may arise as a result of or in connection with the transactions. In evaluating RPTs, the Committee takes into account, among others, the following:
  - 1. The related party's relationship to the company and interest in the transaction;
  - 2. The material facts of the proposed RPT, including the proposed aggregate value of such transaction;
  - 3. The benefits to the corporation of the proposed RPT;
  - 4. The availability of other sources of comparable products and services; and
  - 5. An assessment of whether the proposed RPT is on terms and conditions that are comparable to the terms generally available to an unrelated party under similar circumstances. The company should have an effective price discovery system in place and exercise due diligence in determining a fair price for RPTs;

- c. Ensures that appropriate disclosure is made, and/or information is provided to regulating and supervising authorities relating to the company's RPT exposures, and policies on conflicts of interest or potential conflicts of interest. The disclosure should include information on the approach to managing material conflicts of interest that are inconsistent with such policies, and conflicts that could arise as a result of the company's affiliation or transactions with other related parties;
- d. Reports to the Board of Directors on a regular basis, the status and aggregate exposures to each related party, as well as the total amount of exposures to all related parties;
- e. Ensures that transactions with related parties, including write-off of exposures are subject to periodic independent review or audit process; and
- f. Oversees the implementation of the system for identifying, monitoring, measuring, controlling, and reporting RPTs, including a periodic review of RPT policies and procedures. (As amended by Board of Directors on May 18, 2017 and by the Stockholders on July 20, 2017)

Sec. 7.05. The Board may create and appoint such other committee(s) as it may consider necessary or advisable for the proper conduct and operation of the affairs of the Corporation, and prescribe their respective powers, duties and tenure. Said committees shall be composed of such members and shall be of such number and with such compensation as the Board may determine. The members of any committee created and appointed by the Board may be removed at any time by the Board and any vacancies in any such committee shall be filled by the Board.

The Board may also appoint agents to act for and in behalf of the Corporation on such matters as may be so specified by it. The Board may, if it so desires enter into general or specified management contracts, consultancy or advisory services agreements and/or retain consultants.<sup>19</sup>

## ARTICLE VIII

### OFFICERS OF THE CORPORATION

Sec. 8.01. Corporate Officers. - The officers of the Corporation shall be a Chairman, a President, a Vice President, a Treasurer, a Secretary, and such other officers as the Board may from time to time designate and elect. Any two (2) or more of the above offices may be held by the same person unless otherwise provided by law or regulation and provided their functions are compatible with each other. No one shall act as President and Treasurer or Secretary, and Compliance Officer and Secretary at the same time. (As amended by the Board of Directors on March 6, 2017 and by the Stockholders on June 30, 2017)

Sec. 8.02. President. - The President shall be elected by the Board from their own members. He shall have general supervision of the affairs of the Corporation; shall sign

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<sup>19</sup> As amended on September 22, 2016.

all stock certificates; and shall exercise the powers and perform the duties usually pertaining to the office of chief executive of a corporation. He shall have such additional powers and duties as may be prescribed by the Board.<sup>20</sup>

Sec. 8.03. Vice President. - The Vice President shall have such powers and perform such duties as the Board may from time to time confer upon him. In the absence or disability of the President, the Vice President, if qualified, shall exercise the functions and discharge the duties of the President.

Sec. 8.04. Treasurer. - The Treasurer, except as otherwise provided by the Board, shall have the custody of all moneys, securities and values of the Corporation which come into his possession, and shall keep regular books of accounts. He shall deposit said moneys, securities and values in such banking institutions as may be designated from time to time by the Board subject to withdrawal therefrom on the signature of such officers of the Corporation or other individuals as the Board may, by resolution, designate. He shall perform all other duties incident to his office and shall have such other powers and duties as the Board may confer on him. He shall furnish a bond with sufficient sureties for the faithful performance of his duties if and when required to do so by the Board, the amount of which bond is to be determined and fixed by said Board.

Sec. 8.05. Secretary. - The Secretary, who shall be a resident and citizen of the Philippines, shall issue notices of all meetings, shall keep their minutes, shall have charge of the corporate seal and books, shall sign with the President the certificates of stock and such other instruments as require such signature, and shall make such reports and perform such other duties as are incident to his office or are properly required of him by the Board.

The Secretary must be a separate individual from the Compliance Officer, should not be a member of the Board of Directors, and should annually attend a training on corporate governance. The Secretary has, among others, the following duties and responsibilities:

- a. Assists the Board and the board committees in the conduct of their meetings, including preparing an annual schedule of Board and committee meetings and the annual board calendar, and assisting the chairs of the Board and its committees to set agendas for those meetings;
- b. Safe keeps and preserves the integrity of the minutes of the meetings of the Board and its committees, as well as other official records of the corporation;
- c. Keeps abreast on relevant laws, regulations, all governance issues, relevant industry developments and operations of the corporation, and advises the Board and the Chairman on all relevant issues as they arise;
- d. Works fairly and objectively with the Board, Management and stockholders and contributes to the flow of information between the Board and management, the Board and its committees, and the Board and its stakeholders, including shareholders;

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<sup>20</sup> As amended on September 22, 2016.



- e. Advises on the establishment of board committees and their terms of reference;
- f. Informs members of the Board, in accordance with the by-laws, of the agenda of their meetings at least five working days in advance, and ensures that the members have before them accurate information that will enable them to arrive at intelligent decisions on matters that require their approval;
- g. Attends all Board meetings, except when justifiable causes, such as illness, death in the immediate family and serious accidents, prevent him/her from doing so;
- h. Performs required administrative functions;
- i. Oversees the drafting of the by-laws and ensures that they conform with regulatory requirements; and
- j. Performs such other duties and responsibilities as may be provided by the SEC. (As amended by the Board of Directors on May 18, 2017 and by the Stockholders on July 20, 2017)

Sec. 8.06. Compliance Officer - The Compliance Officer should have a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation. Also, the Compliance Officer should not be a member of the Board of Directors and should annually attend training on corporate governance. He/ she has, among others, the following duties and responsibilities:

- a. Ensures proper onboarding of new directors (i.e., orientation on the company's business, charter, articles of incorporation and by-laws, among others);
- b. Monitors, reviews, evaluates and ensures the compliance by the corporation, its officers and directors with the relevant laws, this Code, rules and regulations and all governance issues of regulatory agencies;
- c. Reports the matter to the Board if violations are found and recommends the imposition of appropriate disciplinary action;
- d. Ensures the integrity and accuracy of all documentary submissions to regulators;
- e. Appears before the SEC when summoned in relation to compliance with this Code;
- f. Collaborates with other departments to properly address compliance issues, which may be subject to investigation;
- g. Identifies possible areas of compliance issues and works towards the resolution of the same;
- h. Ensures the attendance of board members and key officers to relevant trainings; and

- i. Performs such other duties and responsibilities as may be provided by the SEC. (As amended by the Board of Directors on May 18, 2017 and by the Stockholders on July 20, 2017)

Sec. 8.07. Chief Audit Executive - There shall be a Chief Audit Executive appointed by the Board, who shall oversee and be responsible for the internal audit activity of the Corporation, including that portion that is outsourced to a third party service provider. The Chief Audit Executive has the following responsibilities, among others:

- a. Periodically reviews the internal audit charter and presents it to senior management and the Board Audit Committee for approval
- b. Establishes a risk-based internal audit plan, including policies and procedures, to determine the priorities of the internal audit activity, consistent with the organization's goals;
- c. Communicates the internal audit activity's plans, resource requirements and impact of resource limitations, as well as significant interim changes, to senior management and the Audit Committee for review and approval;
- d. Spearheads the performance of the internal audit activity to ensure it adds value to the organization;
- e. Reports periodically to the Audit Committee on the internal audit activity's performance relative to its plan; and
- f. Presents findings and recommendations to the Audit Committee and gives advice to senior management and the Board on how to improve internal processes. (As amended by Board of Directors on May 18, 2017 and by the Stockholders on July 20, 2017)

Sec. 8.08. Chief Risk Officer - There shall be a Chief Risk Officer with the following functions, among others:

- a. Supervises the entire Enterprise Risk Management (ERM) process and spearheads the development, implementation, maintenance and continuous improvement of ERM processes and documentation;
- b. Communicates the top risks and the status of implementation of risk management strategies and action plans to the Board Risk Oversight Committee;
- c. Collaborates with the CEO in updating and making recommendations to the Board Risk Oversight Committee;
- d. Suggests ERM policies and related guidance, as may be needed; and
- e. Provides insights on the following:
  - Risk management processes are performing as intended;

- Risk measures reported are continuously reviewed by risk owners for effectiveness; and
- Established risk policies and procedures are being complied with. (As amended by Board of Directors on May 18, 2017 and by the Stockholders on July 20, 2017)

Sec. 8.09. Other Officers. – The Board may appoint such other officers as it may deem desirable. Each such officer shall hold office for such period and shall have such authority and perform such duties as the Board may prescribe or as may be delegated by the President. The Board may, from time to time, authorize any executive officer to appoint and remove subordinate officers and prescribe the powers and duties thereof.

Sec. 8.10. Removal. – Any officer of the Corporation may at any time be removed, with or without cause, by the Board at any regular or special meeting called for that purpose, subject to any existing contract between such officer and the Corporation.

## ARTICLE IX COMPENSATION AND PROFIT SHARING

Sec. 9.01. Compensation. – The Board shall determine the compensation of the President.

Sec. 9.02. Per Diems. – Each member of the Board shall be paid per diems for every regular or special meeting actually attended in such amount to be fixed from time to time by the stockholders at a regular or special meeting.

## ARTICLE X DIVIDENDS AND FINANCE

Sec. 10.01. Dividends. – Subject to the provisions of law, the Board may, in its discretion, declare dividends out of the unrestricted retained earnings of the Corporation which shall be payable in cash, property, or stock to all stockholders of record and in such amounts and upon such dates as it may designate.<sup>21</sup>

Sec. 10.02. Auditors. – The Board may designate the auditors who shall audit and examine the books of accounts of the Corporation at the close of each fiscal year and at such other periods as may be required by the Board.

## ARTICLE XI FISCAL YEAR

Sec. 11.01. Fiscal Year. – The fiscal year of the Corporation shall commence on the first day of January of each calendar year and shall close on the 31<sup>st</sup> day of December of the same year.

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<sup>21</sup> As amended on September 22, 2016.

**ARTICLE XII**  
**AMENDMENTS**

Sec. 12.01. These By-Laws may be altered, amended or repealed, or new By-Laws adopted, by tie affirmative vote of a majority of the subscribed capital stock of the Corporation at any regular meeting of stockholders or at any special meeting duly called for the purpose. It may also be amended by the affirmative vote of the majority of the members of the Board of Directors; if so delegated by the stockholders pursuant to the provision of the law. Provided, however, that such delegation of power shall be considered as revoked whenever a majority of stockholders shall so vote at a regular or special meeting.

ADOPTED ON the 11<sup>th</sup> day of March, 1974, at Makati, Rizal, Philippines, by the undersigned stockholders representing at least a majority of all the subscribed capital stock of the Corporation.

PACIFIC VENTURES LTD.

By:

(SGD.)  
ANDRES SORIANO, JR.

(SGD.)  
REYNALDO MASCARDO

(SGD.)  
JOAQUIN B. PREYSLER

(SGD.)  
ERNEST KAHN

(SGD.)  
MIGUEL NOEL

(SGD.)  
MIGUEL UNSON

(SGD.)  
E.A. PICAZO