

# **Code of Corporate Governance for Publicly-Listed Companies**



**Securities and  
Exchange  
Commission**  
P H I L I P P I N E S



# **Cultivating a Synergic Relationship with Shareholders**



# Promoting Shareholder Rights

## Principle 13

The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.



## **Recommendation 13.1**

The Board should ensure that basic shareholder rights are disclosed in the Manual on Corporate Governance and the company's website.



- ❖ Adopt a policy informing shareholders of their rights;
- ❖ Encourage to exercise their rights;
  - ✓ Pre-emptive rights;
  - ✓ Be informed regarding Dividend Policies;
  - ✓ To propose the holding of meetings;
  - ✓ to include agenda items to ASM and SSM;
  - ✓ to nominate candidates to the Board;
  - ✓ be informed about the nomination process;
    - ❑ Disclose fully and promptly the experience and background of nominees
  - ✓ To vote on fundamental corporate changes;
  - ✓ Be clearly informed on the voting process.
- ❖ Poll Voting and Proxy Voting



## Recommendation 13.2

The Board should encourage active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information **at least 28 days** before the meeting.



## Should contain at least:

- ❖ Date and Venue of the meeting;
- ❖ Agenda – explanation and rationale;
- ❖ Details of issues to be deliberated on, and to be approved or ratified

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## Recommendation 13.3

The Board should encourage active shareholder participation by making the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day. In addition, the Minutes of the Annual and Special Shareholders' Meeting should be available on the company website **within five business days** from the end of the meeting.





- Breakdown of approving and dissenting votes
- ❖ Voting and the vote tabulation procedure
- ❖ Record of questions asked by shareholders and answers received
- ❖ Matters discussed and the resolutions reached
- ❖ Record of voting result for each agenda item
- ❖ Attendance of directors, officers and shareholders
- ❖ Dissenting opinion on any agenda item that is considered significant in the discussion process

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## Recommendation 13.4

The Board should make available, at the option of a shareholder, an **alternative dispute mechanism** to resolve intra-corporate disputes in an amicable and effective manner. This should be included in **the company's Manual on Corporate Governance**.



## **Recommendation 13.5**

The Board should establish an Investor Relations Office (IRO) to ensure constant engagement with its shareholders. The IRO should be present at every shareholders' meeting.

