NATIONAL ADMINISTRATIVE REGISTER · AUGUST 6, 1996

ANNUAL MEETING AND PROXY

SEC MEMORANDUM CIRCULAR NO. 5, August 06, 1996

Read online (full-text search, related cases, audio case brief): https://batas.org/library/623fc9fabb1b/

In order to implement the mandate of Section 50 of the Corporation Code, requiring an annual stockholders meeting for the election of Directors as well as Section 58 of the Corporation Code, and Section 34 of the Revised Securities Act to standardize the execution, acceptance and validation of proxies, all publicly listed corporations are hereby enjoined to observe and comply with the following:

A.

Annual Meeting

1. Regular meeting of stockholders for the election of Directors and Officers of the corporation shall be held annually on the date fixed in the by-laws, or if not so fixed, on any date in April as determined by the Board of Directors. If the date of the annual meeting falls on a legal holiday, the annual meeting shall be held in the next succeeding business day which is not a legal holiday.

2. The annual stockholders meeting shall be held in the city of municipality where the principal office of the corporation is located, and if practicable in the principal office of the corporation. Metro Manila shall, for purposes of meeting, be considered a city or municipality.

3. Written notice, stating the date, time and place of the annual meeting shall be sent to all stockholders of record at least two (2) weeks prior to the scheduled annual stockholders meeting, unless a different period is required by the by-laws.

The notice of stockholders' meeting shall also set the date, time and place of the validation of proxies, which in no case shall be less than five (5) days prior to the annual stockholders, meeting to be held. The presence of any stockholder who may wish to be present in person or by counsel, shall be allowed.

4. If for any justifiable and valid reason, the annual stockholders' meeting has to be postponed, the corporation shall notify the Commission in writing of such postponement within ten (10) days from the date of such postponement.

5. No postponement of annual stockholders meeting shall be allowed except for justifiable reasons to be stated in writing signed under oath by the President or Secretary of the corporation.

6. The Commission en banc, may, motu propio, or upon the written request of any stockholder, direct the calling of the annual stockholders' meeting under its supervision, if the corporation fails or refuses to call an annual meeting for any justifiable reason.

7. The Commission may send its representatives/observers the stockholders' meetings, under such terms and conditions it deems appropriate.

8. Unless otherwise provided by the by-laws, the stock and transfer book shall be closed at least twenty (20) days before the scheduled date of the annual stockholders' meeting to enable the corporation to prepare a list of

Turn this case into an audio lecture - facts, issues, ruling and doctrine - at batas.org

stockholders entitled to vote.

9. A copy of the list of stockholders entitled to vote shall be submitted to the SEC at least fifteen (15) days prior to the date of the annual stockholders' meeting to enable the corporation to prepare a list of stockholders entitled to vote.

B.

Proxy

1. The corporate by-laws shall be controlling in determining the proper procedure to be followed in the execution and acceptance of proxies, provided that the minimum required formalities prescribed under Section 58 of the Corporation Code and RSA Rule 34(a)-1 shall be complied with.

2. Failure to affix documentary stamps shall not affect the validity of the proxy. The only adverse effect of such failure is that the same cannot be recorded as a public document and cannot be admitted or used as evidence in Court until the required documentary stamps is affixed and cancelled.

3. Unless required by the corporate by-laws, a proxy need not be notarized.

4. If the name of the proxy is left in blank, the person to whom it is given or the issuer corporation receiving the proxy is at liberty to fill in any name he/it chooses.

5. If a duly accomplished and executed proxy is undated, the postmark or, if not mailed, its actual date of presentation shall be considered.

6. A proxy executed by a corporation shall be in the form of a board resolution duly certified by the Corporate Secretary or in a proxy form executed by a duly authorized corporate officer accompanied by a Corporate Secretary's certificate quoting the board resolution authorizing the said corporate officer to execute the said proxy.

7. If the by-laws provide for a cut-off date for the submission of proxies the same should be strictly followed. In the absence of a provision in the by-laws fixing a deadline, proxies shall be submitted not later than ten (10) days prior to the date of the stockholders' meeting.

8. Where the corporation receives more than one proxy from the same stockholder and they are all undated, the postmark dates shall be considered. If the proxies are mailed on the same date, the one bearing the latest time of day of postmark is counted. If the proxies are not mailed, then the time of their actual presentation is considered. That which is presented last will be recognized.

9. Where a proxy is given to two or more persons in the alternative in one instrument, the proxy designated as an alternate can only act as proxy in the event of non-attendance of the other designated person.

10. Where the same stockholder gives two or more proxies, the latest one given is to be deemed to revoke all former proxies.

11. A proxy shall be valid only for the meeting for which it is intended.

12. Executors, administrators, receivers and other legal representatives duly appointed by the court may attend and vote in behalf of the stockholders without a need of any written proxy.

13. If the stockholder intends to designate several proxies, the number of shares of stock to be represented by each proxy shall be specifically indicated in the proxy form. If some of the proxy forms do not indicate the number of shares, the total shareholding of the stockholder shall be tallied and the balance thereof, if any, shall be allotted to

Bar review courses, mock exams and a study planner that keeps you on pace - batas.org

the holder of the proxy form without the number of shares. If all are in blank, the stocks shall be distributed equally among the proxies. The number of persons to be designated as proxies may be limited by the By-laws.

14. In case of shares of stock owned jointly by two or more persons, the consent of all co-owners shall be necessary to appoint or revoke a proxy.

15. For persons owning shares in an "and/or" capacity, any one of them may appoint and revoke a proxy.

16. Proxies executed abroad shall be duly authenticated by the Philippine Embassy or Consular Office.

17. No member of the Stock Exchange and no broker/dealer shall give any proxy, consent or authorization, in respect of any security carried for the account of a customer to a person other than the customer, without the express written authorization of such customer. The proxy executed by the broker shall be accompanied by a certification under oath stating that before the proxy was given to the broker, he had duly obtained the written consent of the persons in whose account the shares are held.

18. A proxy shall not be invalidated on the ground that the stockholder who executed the same has no signature card on file with the Corporate Secretary or Transfer Agent, unless it can be shown that he/she had refused to submit the signature card despite written demand to that effect duly received by the said stockholder at least ten (10) days before the annual stockholders' meeting and election.

19. There shall be a presumption of regularity in the execution of proxies and shall be accepted if they have the appearance of prima facie authenticity in the absence of a timely and valid challenge.

20. In the validation of proxies, a special committee of inspectors shall be designated or appointed by the Board of Directors which shall be empowered to pass on the validity of proxies. Any dispute that may arise pertaining thereto, shall be resolved by the Securities and Exchange Commission upon formal complaint filed by the aggrieved party, or by the SEC officer supervising the proxy validation process.

21. Any violation of these guidelines shall be subject to the administrative sanctions provided for under Section 144 of the Corporation Code; Section 56 of the Revised Securities Act and PD 902-A, as amended.

For immediate and strict compliance.

Adopted: 6 Aug. 1996

(SGD.) PERFECTO R. YASAY, JR.
Chairman

Study hands-free: podcast-style lessons with read-along highlighting - batas.org

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at https://batas.org

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.