

AN ACT TO FURTHER AMEND SECTION EIGHTEEN OF THE CORPORATION LAW, ACT NUMBERED ONE THOUSAND FOUR HUNDRED AND FIFTY-NINE, AS AMENDED.

REPUBLIC ACT NO. 3531, June 20, 1963

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Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. Section eighteen of Act Numbered One thousand four hundred and fifty-nine, as amended, is herein further amended to read as follows:

"SEC. 18. Any corporation may for legitimate corporate purpose or purposes amend its articles of incorporation by a majority vote of its board of directors or trustees and the vote or written assent of two-thirds of its members if it be a non-stock corporation, or if it be a stock corporation, by the vote or written assent of the stockholders representing at least two-thirds of the subscribed capital stock of the corporation: Provided, however, "That if such amendment to the articles of incorporation should consist in extending the corporate existence, or any change in the rights of holders of shares of any class, or would authorize shares with preferences in any respect superior to those of outstanding shares of any class, or would restrict the rights of any stockholder, then any holder who did not vote for such corporate action within forty days after the date upon which such was authorized, object thereto in writing and demand payment for his shares. If, after such a demand by a stockholder, the corporation and the stockholder cannot agree upon the value of his share or shares at the time such corporate action was authorized, such value shall be ascertained by three disinterested persons, one of whom shall be named by the stockholder, another by the corporation, and the third by the two thus chosen. The findings of the appraisers shall be final, and if their award is not paid by the corporation within thirty days after it is made, it may be recovered in an action by the stockholder against the corporation. Upon payment by the corporation to the stockholder of the agreed or awarded price of his share or shares, the stockholder shall forthwith transfer and assign the share or shares held by him as directed by the corporation: Provided, however, That their own shares of stock purchased or otherwise acquired by banks, trust companies, and insurance companies should be disposed of within six months after acquiring title thereto.

"Unless and until such amendment to the articles of incorporation shall have been abandoned or the action rescinded, the stockholder making such demand in writing shall cease to be a stockholder and shall have no rights with respect to such shares, except the right to receive payment therefor as aforesaid.

"A stockholder shall not be entitled to payment for his shares under the provisions of this section unless the value of the corporate assets which would remain after such payment would be at least equal to the aggregate amount of its debts, liabilities and the aggregate par value and/or issued value of the remaining subscribed capital stock.

"A copy of the articles of incorporation as amended, duly certified to be correct by the president and the secretary of the corporation and a majority of the board of directors or trustees, shall be filed with the Securities and Exchange Commissioner who shall attach the same to the original articles of incorporation, on file in his office. From the time of filing such copy of the amended articles of incorporation, the corporation shall have the same power and it and the members or stockholders thereof shall thereafter be subject to the same liabilities as if such amendment had been embraced in the original articles of incorporation: Provided,

however, That should the amendment consist in extending the corporate life, the extension shall not exceed fifty years in any one instance: Provided, further, That the original articles, and amended articles together shall contain all provisions required by law to be set out in the articles of incorporation: And provided, further, That nothing in this section shall be construed to authorize any corporation to increase or diminish its capital stock or so as to affect any rights or action which accrued to others between the time of filing the original articles of incorporation and the filing of the amended articles.

"The Securities and Exchange Commissioner shall be entitled to collect and receive the sum of ten pesos for filing said copy of the amended articles of; incorporation: Provided, however That where the amendment consists in extending the term of corporate existence the Securities and Exchange Commissioner shall be entitled to collect and receive for the filing of the amended articles of incorporation the same fees collectible under existing law for the filing of articles of incorporation.

"The Securities and Exchange Commissioner shall not hereafter file any amendment to the articles of incorporation of any bank, banking institution, or building and loan association, unless accompanied by a certificate of the Monetary Board of the Central Bank to the effect that such amendment is in accordance with law."

SEC. 2. This Act shall take effect upon its approval.

Approved, June 20, 1963.

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