Proposed amendments to RFM Corporation's By-Laws to comply with the applicable provisions of the Revised Corporation Code of the Philippines

1. Article III, Proxies, to include a stockholder's right to vote in person, through a proxy, through remote communication, or in absentia during the stockholders' meetings. The amended provision will read as follows:

> "III. PROXIES - At all meetings of stockholders, a stockholder may vote in person, through a proxy, through remote communication, or in absentia. Unless otherwise provided in proxy, it shall be valid only for the meeting at which it has been presented to the Secretary. All proxies must be in the hands of the Secretary at least two (2) business days before the time set for the meeting. Proxies filed with the Secretary may be revoked by the stockholders either in an instrument in writing duly presented and recorded with the Secretary, prior to a scheduled meeting or by their personal presence at the meeting."

2. Article IV, Quorum, to indicate that a stockholder who participates through remote communication or in absentia, shall be deemed present for purposes of quorum. The amended provision will read as follows:

> "IV. QUORUM - Unless otherwise provided by law, in all regular or special meeting of stockholders, a majority of the issued and outstanding capital stock must be present or represented in order to constitute a quorum.
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> A stockholder who participates through remote communication or in absentia, shall be deemed present for purposes of quorum.
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> If no election is held, or the owners of majority of the outstanding capital stock or majority of the members entitled to vote are not present in person, by proxy, or through remote communication or not voting in absentia at the meeting, such meeting may be adjourned and the Corporation shall proceed in accordance with the provisions of the Revised Corporation Code."

3. Article V, Voting, to indicate that a stockholder may also vote through remote communication or in absentia, subject to the rules and regulations as may be issued by the Securities and Exchange Commission. The amended provision will read as follows:

> "V. VOTING - Voting upon all questions at all meetings of the stockholders shall be by shares of stock. However, for the election of directors, the shares of stock shall be voted as provided in the Revised Corporation Code of the Philippines.
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> Provided, that stockholders may also vote through remote communication or in absentia, subject to the rules and regulations as may be issued by the Securities and Exchange Commission."

4. Article VIII, Place of Meeting, to indicate that stockholders' meeting can be done though remote communication subject to the rules and regulations as may be issued by the Securities and Exchange Commission. The amended provision will read as follows:

> "VIII. PLACE OF MEETING - Stockholders' meetings, whether regular or special, shall be held in the principal office of the corporation or at any place designated by the Board of Directors in the city or municipality where the principal office of the corporation is located, or though remote communication subject to the rules and regulations as may be issued by the Securities and Exchange Commission."

5. Article IX, Notice of Meeting, to indicate that notices for stockholders' meeting can also be distributed in such other manner as the Securities and Exchange Commission may allow under its guidelines. The amended provision will read as follows:

> "IX. NOTICE OF MEETING
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> 9.1 Notices for annual meetings of stockholders may be sent by the Secretary by personal delivery or electronic mail or fax or by mail at least ten (10) days prior to the date of the meeting to each stockholder of record at his last known address or by publishing the notice in a newspaper of national circulation at least ten (10) days prior to the date of the meeting, or in such other manner as the Securities and Exchange Commission may allow under its guidelines.
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> Notice of special meetings of stockholders may be sent at least one (1) week prior to the date of the meeting in the same manner above.
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> The notice shall state the place, date and hour of the meeting and the general nature of the business to be transacted. Notice may be waived by the stockholders.
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> 9.2 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 is taken. At the reconvened meeting, any business may be transacted that might have been transacted on the original date of the meeting."

6. Article XVI, Board of Directors, to indicate that directors who cannot physically attend or vote at the board meetings can participate and vote through remote communication such as videoconferencing, teleconferencing, or other alternative modes of communication as the Securities and Exchange Commission may allow. The amended provision will read as follows:

"XVI. BOARD OF DIRECTORS

16.1 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 to be elected by and from among the stockholders. 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 the 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.

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, deeds 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 officers are 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 on 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 of the Philippines.

16.2 The Board of Directors shall be elected during each regular meeting of stockholders and shall hold office for one (1) year and until their successors are elected and qualified.

16.3 If the office of any Director becomes vacant by any reason other than by removal by the stockholders or expiration of term, the remaining Directors if constituting a majority vote, may choose a successor or successors who shall hold office for the unexpired term. In case of resignation, disqualification or cessation of independent directorship and only after notice has been made with the Commission within five (5) days from such resignation, disqualification or cessation, the vacancy shall be filled by the vote of at least a majority of the remaining directors, if still constituting a quorum, upon the nomination of the Nomination Committee. Otherwise, said vacancy shall be filled by the stockholders in a regular or special meeting called for that purpose. An independent director so elected to fill a vacancy shall serve only for the unexpired term of his predecessor in office.

16.4 Regular meetings of the Board of Directors shall be held once a month on such dates and at places as the Chairman of the Board may determine, or upon the request of a majority of the Directors. Directors who cannot physically attend or vote at the board meetings can participate and vote through remote communication such as videoconferencing, teleconferencing, or other alternative modes of communication as the Securities and Exchange Commission may allow.

16.5 Notice of the regular or special meeting of the Board, specifying the date, time and place of the meeting, shall be communicated by the Secretary to each director personally, or by telephone, or by written message sent by fax, or by e-mail, or such other alternative modes of communication as the Securities and Exchange Commission may allow under its guidelines, at least two (2) days prior to the date of the meeting. A director may waive this requirement, either expressly or impliedly.

16.6. A majority of the number of directors as fixed in the Articles of Incorporation shall constitute a quorum for the transaction of corporate business and every decision of at least a majority of the directors present at a meeting at which there is a quorum shall be valid as a corporate act, except for the election of officers which shall require the vote of a majority of all the members of the Board. A director who participates and/or votes in the meeting through remote communication such as videoconferencing, teleconferencing, or other alternative modes of communication shall be considered present for purposes of quorum.

16.7 Meetings of the Board of Directors shall be presided over by the Chairman of the Board, or in his absence, by the Vice-Chairman, or in his absence by the President, or in his absence, by any other director chosen by the Board. The Secretary, shall act as secretary of every meeting, if not present, the Chairman of the meeting, shall appoint a secretary of the meeting."

7. Article XIX, Stock Register, to indicate the period within which the stock and transfer book will be closed in relation to the conduct of stockholder's meeting. The amended provision will read as follows:

> "XIX. STOCK REGISTER
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> The corporation shall be entitled to treat the registered holder of any share as the absolute owner thereof, and shall not be bound to recognize any equitable or any other claims or any interest in such share on the part of any person, regardless of whether it has express or an implied notice thereof.
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> The corporation may appoint a stock and transfer agent to record the details required by law with respect to the stock certificates of the corporation, including ledgers and transfer books showing all shares of the corporation subscribed, issued and transferred.
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> <u>The stock and transfer book or membership book shall be closed at least twenty (20) days for regular stockholders' meetings and seven (7) days for special stockholder's meetings before the scheduled date of the meeting, unless the corporation's appointed stock and transfer agent requires a longer period</u>."

8. Article XXI, Lost Certificates, to indicate the procedure to be done when a certificate of stock is reported to be lost or stolen. The amended provision will read as follows:

> "XXI. LOST CERTIFICATES - Any person claiming a certificate of stock to be lost or destroyed, <u>shall comply with the provisions of Section 72 (Lost or Destroyed Certificates) of R.A. 11232, otherwise known as the Revised Corporation Code of the Philippines</u>, and shall give the company a bond of indemnity in the form and with the sureties satisfactory to the Board of Directors, in a sum at least double, the par value of such certificate whereupon the President , the Secretary and the Auditor may issue a new certificate of the same tenor with the one alleged to be lost or destroyed, after the provisions of R.A. 11232 have been complied with."

9. Deletion of Article XXIV, Seal, as a similar provision is already provided under Article II.