

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

INFORMATION STATEMENT PURSUANT TO SECTION 20  
OF THE SECURITIES REGULATION CODE



Check the appropriate box:

Preliminary Information Statement

Definitive Information Statement

2. Name of Registrant as specified in its charter **FIRST PHILIPPINE HOLDINGS CORPORATION**
3. **Metro Manila, Philippines**  
Province, country or other jurisdiction of incorporation or organization
4. SEC Identification Number **19073**
5. BIR Tax Identification Code **350-000-288-698**
6. **6<sup>th</sup> Flr., Benpres Bldg., Meralco Ave. cor. Exchange Rd., Pasig City** **1600**  
Address of principal office Postal Code
7. Registrant's telephone number, including area code **2-631-8024 or 2-449-6000**
8. **January 15, 2009/3:00 P.M./Meralco Theater, Lopez Bldg., Ortigas Ave., Pasig City**  
Date, time and place of the meeting of security holders
9. Approximate date on which the Information Statement is first to be sent or given to security holders  
on or before **December 16, 2008**
10. Name of Person Filing the Statement/Solicitor: **First Philippine Holdings Corporation**  
By: **ENRIQUE I. QUIASON, Corporate Secretary**

Address and Telephone No.: **4<sup>th</sup> Flr., Benpres Bldg., Meralco Ave., Pasig City/631-2452**

Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA  
(information on number of shares and amount of debt is applicable only to corporate registrants):

Title of Each Class	Number of Shares of Common Stock Outstanding or Amount of Debt Outstanding (As of October 31, 2008)
Common Shares	590,340,305 shares
Series B Preferred Shares, Issued Shares	43,000,000 shares

Are any or all of registrant's securities listed in a Stock Exchange?

Yes  No

If yes, disclose the name of such Stock Exchange and the class of securities listed therein:

**Philippine Stock Exchange, Common Shares**

This information statement is expected  
to be first sent out to the  
security holders on or before December 16, 2008

## GENERAL INFORMATION

Date, time and place of meeting of security holders.

The Special Meeting of the Stockholders of FIRST PHILIPPINE HOLDINGS CORPORATION (the "Corporation") is scheduled on January 15, 2009 at 3:00 p.m. at the Meralco Theater, Lopez Building, Ortigas Avenue, Pasig City. The complete mailing address of the principal office of the registrant is:

FIRST PHILIPPINE HOLDINGS CORPORATION  
6<sup>th</sup> Floor, Benpres Building  
Meralco Avenue cor. Exchange Road  
Pasig City 1600

This information statement is expected to be first sent out to the security holders approximately on or before December 16, 2008.

### Dissenters' Right of Appraisal

Pursuant to the section 81 of the Corporation Code of the Philippines, any stockholder of the Corporation shall have the right to dissent and demand payment of the fair value of his shares on any matter that may be acted upon such as in the following instances:

1. In case any amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholders or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence.
2. In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets; and
3. In case of merger or consolidation.

No corporate action is being proposed or submitted in the meeting that may call for the exercise of a stockholder's right of appraisal. The proposed amendments to the By-Laws do not cover instances for the exercise of appraisal rights.

If, at any time after this Information Statement has been sent out, an action which may give rise to the right of appraisal is proposed at the meeting, any stockholder who Voted Against the proposed action and who wishes to exercise such right must make a written demand, within thirty (30) days after the date of the meeting or when the vote was taken, for the payment of the fair market value of his shares. The value shall be determined as of the day prior to the date when the vote was taken, excluding any appreciation or depreciation in anticipation of such corporate action. Upon payment, he must surrender his certificate of stock. No payment shall be made to any dissenting stockholder unless the Company has unrestricted retained earnings in its books to cover such payment. Within ten (10) days after demanding payment for his shares, a dissenting stockholder shall submit to the company the certificate(s) of stock representing his shares for notation that the shares are dissenting shares.

### Interest of Certain Persons in or Opposition to Matters to be Acted Upon

Each person who has been a director or officer of the registrant at any time since the beginning of the last fiscal year and each associate of the foregoing persons have no substantial interest, direct or indirect, by security holdings or otherwise, in any matter to be acted upon in the special meeting. Each such person may, however, own shares in the Corporation but they will not be receiving any extra or special benefit by

reason of the matters to be acted upon other than what may be shared on a pro rata basis by all the holders of the same class.

No director has informed the Company in writing of his intention to oppose the action/motions and/or matters to be taken up in the meeting.

**CONTROL AND COMPENSATION INFORMATION**

**Voting Securities and Principal Holders Thereof**

(a) The registrant has 590,340,305 common shares which are subscribed and outstanding as of October 31, 2008. Every stockholder shall be entitled to one vote each for each share of stock held as of the established record date.

The registrant has 43,000,000 cumulative, non-voting, non-participating, non-convertible Series B Preferred Shares and 20,000,000 Series A Preferred Shares subscribed and outstanding as of October 31, 2008 which have voting rights under the instances specified in the Corporation Code.

(b) All stockholders of record as of November 21, 2008 are entitled to notice and to vote at the Annual Stockholders Meeting.

(c) A stockholder entitled to vote at the meeting shall have the right to vote in person or by proxy. The meeting will not relate to the election of directors.

The deadline for the submission of any proxy is January 12, 2009.

**(d) (1) Security Ownership of Certain Record & Beneficial Owners**

The equity securities of the company consist of common and preferred shares.

FPHC Security Owners of Certain Record and Beneficial Owners of more than 5% As of October 31, 2008					
(a) Security Ownership of Certain Record and Beneficial Owner/s of more than 5%					
<i>Title of Class</i>	<i>Name and Address of Record Owner and Relationship with Issuer</i>	<i>Name of Beneficial Owner &amp; Relationship with Record Owner</i>	<i>Citizenship</i>	<i>No. of Shares Held</i>	<i>Percent to Total Issued and Outstanding</i>
Common	Benpres Holdings Corporation 5/F Benpres Building Exchange Road cor. Meralco Avenue, Ortigas Ctr., Pasig City  Benpres is the parent of the Company. <sup>1</sup>	Benpres Holdings Corporation <sup>2</sup>	Filipino	254,121,719	43.05%

<sup>1</sup> The Chairman of Benpres Holdings Corp. (“BHC”), Oscar M. Lopez, is the Chairman of the Corporation.

<sup>2</sup> The Board of Directors of BHC has the authority to decide how the shares of BHC in the Corporation are to be voted.

Common	PCD Nominee Corporation G/F Makati Stock Exchange 6767 Ayala Avenue, Makati City	Various <sup>3</sup>	Filipino Non-Filipino	117,321,494 155,487,754	19.87% 26.34%
	As advised to the Company, the following are the owners of more than 5% under the PCD:				
	The Hongkong & Shanghai Banking Corp. Custody and Clearing Dept. 30/F Discovery Suites 25 ADB Ave., Ortigas Center, Pasig City	Various	Filipino Non-Filipino	0 69,003,140	0.00% 11.69%
	Standard Chartered Bank 6756 Ayala Avenue, Makati City	Various	Non-Filipino	41,820,973	7.08%
	Social Security System ("SSS") <sup>4</sup> SSS Bldg., East Ave., Diliman, Q.C.	SSS (Same as record owner.)	Filipino	55,222,163	9.35%

Apart from the foregoing, there are no other persons holding more than 5% of FPHC's outstanding capital stock.

FPHC Security Owners of Certain Record and Beneficial Owners of more than 5% As of October 31, 2008					
(a) Security Ownership of Certain Records					
<i>Title of Class</i>	<i>Name and Address of Record Owner and Relationship with Issuer</i>	<i>Name of Beneficial Owner &amp; Relationship with Record Owner</i>	<i>Citizenship</i>	<i>No. of Shares Held</i>	<i>Percent to Total Issued and Outstanding</i>
Preferred	PCD Nominee Corporation G/F Makati Stock Exchange, 6767 Ayala Avenue, Makati City	Various <sup>5</sup>	Filipino	35,982,800	57.12%
Preferred	FGHC International Limited <sup>6</sup> Ugland House South Church Street George Town Grand Cayman Cayman Islands	FGHC Int'l.	Cayman	20,000,000	31.75%
Preferred	The Insular Life Assurance Co., Ltd. Insular Life Corporate Center Commerce Ave., Filinvest Corporate City Alabang, Muntinlupa City	Various	Filipino	4,975,700	7.90%
	As advised to the Company, the following are the owners of 5% or more under the PCD:				
Preferred	Banco de Oro – Trust Banking Group <sup>7</sup> 17/F, South Tower, BDO Corporate Center, H.V. dela Costa cor. Makati	Various	Filipino	12,670,000	20.11%

<sup>3</sup> No one entity owns more than 5% of FPHC.

<sup>4</sup> The Board of Directors of SSS has the authority to decide how its shares in the Corporation are to be voted, including the grant of a proxy. The SSS has previously issued a proxy in favor of its own Chairman, Mr. Thelmo Y. Cunanan.

<sup>5</sup> No one entity owns more than 5% of FPHC.

<sup>6</sup> The Board of Directors of FGHC International has the authority to decide how its shares in the Corporation are to be voted, including the grant of a proxy. For the Preferred Shares, this will be the first stockholders' meeting since their issuance. Hence, these have not yet been the subject of proxies nor of any proxy solicitation and none have been issued to date.

	Ave., Makati City				
Preferred	MBTC – Trust Banking Group 5/F MetroBank Plaza, Sen. Gil Puyat Ave., Makati City	Various	Filipino	4,901,100	7.78%
Preferred	Social Security System (“SSS”) SSS Bldg., East Ave., Diliman, Q.C.	SSS	Filipino	4,300,000	6.83%
Preferred	BDO Securities Corporation 27/F Tower 1 & Exchange Plaza Ayala Avenue, Makati City	Various	Filipino	3,337,400	5.30%

There are no voting trust holders of 5% or more of FPHC's securities.

(2) Security Ownership of Management as of October 31, 2008.

To the best of the knowledge of FPHC, the following are the shareholdings of the directors and officers:

#### COMMON SHARES

Title of Class	Name of Beneficial Owner	Amount & Nature of Beneficial Ownership	Citizenship	Percent of Class
Common	Oscar M. Lopez	5,227,955 – D/I	Filipino	0.88558237%
Common	Augusto Almeda Lopez	42,001 – D/I	Filipino	0.00711471%
Common	Thelmo Y. Cunanan	1 – D	Filipino	0.00000017%
Common	Peter D. Garrucho, Jr.	499,893 - D/I	Filipino	0.08467879%
Common	Elpidio L. Ibañez	910,377 – D/I	Filipino	0.15421224%
Common	Oscar J. Hilado	1 – D	Filipino	0.00000017%
Common	Manuel M. Lopez	71,758 – D/I	Filipino	0.01215536%
Common	Ernesto B. Rufino, Jr.	1,340,765 – D/I	Filipino	0.22711731%
Common	Vicente T. Paterno	6,381 – D/I	Filipino	0.00108090%
Common	Federico R. Lopez	606,178 – D/I	Filipino	0.01268281%
Common	Washington Z. Sycip	1 – D	American	0.00000017%
Common	Eugenio Lopez III	14,335 - D/I	Filipino	0.00242826%
Common	Jose P. De Jesus	52,200 – D/I	Filipino	0.00884236%
Common	Artemio V. Panganiban	1 - D	Filipino	0.00000017%
Common	Cesar B. Bautista	1 - D	Filipino	0.00000017%
Common	Arthur A. De Guia	697,128 – D/I	Filipino	0.11808918%
Common	Elizabeth M. Canlas	10,263 – D/I	Filipino	0.00173849%
Common	Ben jamin K. Liboro	660,852 – D/I	Filipino	0.11194425%
Common	Perla R. Catahan	535,024 – D/I	Filipino	0.09062976%
Common	Anthony M. Mabasa	226,662 - D/I	Filipino	0.03839514%
Common	Leonides U. Garde	131,863 – D/I	Filipino	0.02233678%
Common	Ricardo B. Yatco	33,357 – D/I	Filipino	0.00565047%
Common	Hector Y. Dimacali	112,508 – D/I	Filipino	0.01905816%

<sup>7</sup>Under the law, the Board of Directors of BDO has the authority to decide how its shares in the Corporation are to be voted, including the grant of a proxy. This is, however, subject to any internal arrangements on trust or otherwise that the company may have. For the Preferred Shares, this will be the first stockholders’ meeting since their issuance. Hence, these have not yet been the subject of proxies nor of any proxy solicitation and none have been issued to date.

Common	Richard B. Tantoco	45,509 – D/I	Filipino	0.00770894%
Common	Francis Giles B. Puno	1,495,129 – D/I	Filipino	0.25326561%
Common	Danilo C. Lachica	272,857 – D/I	American	0.04622029%
Common	Victor Emmanuel B. Santos	25,000 – D/I	Filipino	0.00423485%
Common	Oscar R. Lopez, Jr.	17,958 – D/I	Filipino	0.00304197%
Common	Robert C. Chan	78,500 –D/I	Filipino	0.01329741%
Common	Rodrigo E. Franco	-	Filipino	0.00000000%
Common	Benjamin R. Lopez	276,001 – D/I	Filipino	0.04675286%
Common	Ramon T. Pagdagdagan	-	Filipino	0.00000000%
Common	Fiorello R. Estuar	8,048 – D/I	Filipino	0.00136328%
Common	Ariel C. Ong	9,000-D	Filipino	0.00152454%
Common	Enrique I. Quiason	-	Filipino	0.00000000%
Common	Rodolfo R. Waga, Jr.	179,115 – D/I	Filipino	0.03034097%
Sub-total		13,586,622 – D/I		2.30148982%
Common	Benpres Holdings Corp.	254,121,719 - D/I	Filipino	43.04664900%
Common	Other Stockholders	322,631,964	Filipino & Non-Filipino	54.65186118%
TOTAL		590,340,305		100.00000000%

## PREFERRED SHARES

Title of Class	Name of Beneficial Owner	Amount & Nature of Beneficial Ownership	Citizenship	Percent of Class
	Oscar M. Lopez	-	Filipino	-
	Augusto Almeda Lopez	-	Filipino	-
	Thelmo Y. Cunanan	-	Filipino	-
Preferred	Peter D. Garrucho, Jr.	50,000	Filipino	0.11627907%
	Elpidio L. Ibañez	-	Filipino	-
	Oscar J. Hilado	-	Filipino	-
	Manuel M. Lopez	-	Filipino	-
Preferred	Ernesto B. Rufino, Jr.	100,000	Filipino	0.23255814%
	Vicente T. Paterno	-	Filipino	-
	Federico R. Lopez	-	Filipino	-
	Washington Z. Sycip	-	American	-
	Eugenio Lopez III	-	Filipino	-
	Jose P. De Jesus	-	Filipino	-
	Artemio V. Panganiban	-	Filipino	-
	Cesar B. Bautista	-	Filipino	-
	Arthur A. De Guia	-	Filipino	-
Preferred	Elizabeth M. Canlas	10,000	Filipino	0.02325581%
	Ben jamin K. Liboro	-	Filipino	-
	Perla R. Catahan	-	Filipino	-
Preferred	Anthony M. Mabasa	10,000	Filipino	0.02325581%
Preferred	Leonides U. Garde	10,000	Filipino	0.02325581%
	Ricardo B. Yatco	-	Filipino	-
Preferred	Hector Y. Dimacali	40,000	Filipino	0.09302326%
	Richard B. Tantoco	-	Filipino	-
	Francis Giles B. Puno	-	Filipino	-
	Danilo C. Lachica	-	American	-

	Victor Emmanuel B. Santos	-	Filipino	-
	Oscar R. Lopez, Jr.	-	Filipino	-
Preferred	Robert C. Chan	5,000	Filipino	0.01162791%
	Rodrigo E. Franco	-	Filipino	-
Preferred	Benjamin R. Lopez	30,000	Filipino	0.06976744%
	Ramon T. Pagdagdagan	-	Filipino	-
	Fiorello R. Estuar	-	Filipino	-
	Ariel C. Ong	-	Filipino	-
	Enrique I. Quiason	-	Filipino	-
	Rodolfo R. Waga, Jr.	-	Filipino	-
Sub-total		255,000		0.59302326%
	Other Stockholders	42,745,000	Filipino & Non-Filipino	99.40697674%
TOTAL		43,000,000		100.00000000%

There has been no change of control of the registrant since the beginning of its last fiscal year.

#### Directors and Executive Officers

Below is an updated list of the Company's Directors and Executive Officers:

#### BOARD OF DIRECTORS

**OSCAR M. LOPEZ**  
78 Years Old, Filipino

Mr. Oscar M. Lopez has been Chairman and Chief Executive Officer of the Company since 1986. Mr. Lopez is the Chairman of the Executive Committee, Nomination and Election Committee, Investment and Finance Committee, and the Compensation and Remuneration Committee of the Company. Mr. Lopez is the Chairman of the Board of Directors of Benpres Holdings Corp., Lopez, Inc., First Gen Corp., First Balfour, Inc., First Phil. Electric Corp., First Phil. Industrial Corp., First Phil. Industrial Park, Inc., First Sumiden Circuits, Inc. and First Philec Solar Corp., among others. Before joining the Company, he was the President of Benpres from 1973 to 1986. He studied at the Harvard College and graduated cum laude (Bachelor of Arts) in 1951. He finished his Masters of Public Administration at the Littauer School of Public Administration, also at Harvard in 1955. He has been part of the Lopez group in a directorship and executive capacity for the last five (5) years. Mr. Lopez is likewise a director in ABS-CBN Broadcasting Corporation.

**AUGUSTO ALMEDA-LOPEZ**  
80 Years Old, Filipino

Mr. Augusto Almeda-Lopez has been a Director of the Company since 1986 and Vice-Chairman since 1993. Mr. Almeda-Lopez is a member of the Company's Executive Committee and Chairman of the Chairman's Compensation and Remuneration Committee. Mr. Almeda-Lopez is also the Chairman of the Board of ADTEL, Inc. and ACRIS Corporation, Vice Chairman of ABS-CBN and a Director of First Phil. Industrial Corp., Forst Electro Dynamics Corp., Philippine Electric Corp., Bayantel, Skyvision Corp., Radio Communications of the Phils., Inc. and a Trustee of ABS-CBN Foundation, Inc. He graduated with an

Associate in Arts degree from Ateneo de Manila and a Bachelor of Laws degree from the University of the Philippines. He placed fourth in the 1952 Bar Exams. He has been part of the Lopez group in a directorship and executive capacity for the last five (5) years.

**THELMO Y. CUNANAN**  
70 Years Old, Filipino

Mr. Thelmo Y. Cunanan has been a Director of the Company since October 2004. Mr. Cunanan is also a member of the Investment and Finance Committee of the Company. Mr. Cunanan is a retired Lieutenant General of the Armed Forces of the Philippines. He was an Ambassador Extraordinary & Plenipotentiary to the Royal Kingdom of Cambodia and served as the President & CEO of the Philippine National Oil Company. He is currently the Chairman of the Social Security Commission, the top policy-making body of the Social Security System. He graduated with a Bachelor of Science degree in Military Art & Engineering from the Philippine Military Academy in 1957 and the U.S. Military Academy in 1961. He finished his Masters in Business Administration at the University of the Philippines. He is likewise a director of the Union Bank of the Philippines, Philex Mining Corporation and Belle Corporation.

**JOSE P. DE JESUS**  
74 Years Old, Filipino

Mr. Jose P. De Jesus sits as member of the Investment and Finance Committee. He has been a director of the Company since June 2005. He is also the President & Chief Executive Officer of the Manila North Tollways Corp. from 2000 to 2008. He was Executive Vice President of Philippine Long Distance Telephone Co. from 1993 to 1999 and Chairman of the Manila Waterworks & Sewerage System from 1992 to 1993. He was Secretary of the Department of Public Works & Highways from January 1990 up to February 1993. He graduated with an AB Economics degree and Master of Arts in Social Psychology from the Ateneo de Manila University. He pursued his Graduate Studies in Human Development at the University of Chicago in 1968. He has been part of the Lopez group in an executive capacity for the last five (5) years.

**PETER D. GARRUCHO, JR.**  
64 Years Old, Filipino

Mr. Peter D. Garrucho, Jr. was the Managing Director of the Company from 1994 to January 2008. He has been a member of the Board for the same period. He is a member of the Audit Committee and Investment and Finance Committee. Mr. Garrucho was former Vice Chairman & Chief Executive Officer of First Gen, and the First Gas companies. He was also formerly Secretary of the Department of Trade & Industry (1991-1992) and of the Department of Tourism (1989-1990). He has likewise served as Executive Secretary & Adviser on Energy Affairs in the Office of the President of the Philippines in 1992. Prior to joining government in June 1989, he was President of C.C. Unson Co., Inc., which he joined in 1981 after serving as a Full Professor at the Asian Institute of Management. He has an AB-BSBA degree from De La Salle University (1966) and an MBA degree from Stanford University (1971).

**OSCAR J. HILADO**  
Independent Director  
71 Years Old, Filipino

Mr. Oscar J. Hilado has been a Director of the Company since 1996. Mr. Hilado sits as Chairman of the Audit Committee and a member of the Nomination and Election Committee. Mr. Hilado



is the Chairman of the Philippine Investment Management (“PHINMA”), Inc. He is also the Chairman of Holcim Phils., Inc.; President & Vice Chairman of Atlas Holdings Corporation. He is currently Chairman of the Board & Chairman of the Executive Committee of Bacnotan Consolidated Industries, Inc., Chairman of Trans Asia Power Generation Corp.; Chairman of Trans Asia Oil & Energy Development Corp. and Chairman of Bacnotan Industrial Park Corp. He graduated with Highest Honors and with a Gold Medal for General Excellence and a Bachelor of Science in Commerce Degree from De La Salle College (Bacolod). He pursued his Degree of Masters in Business Administration at the Harvard Graduate School of Business Administration from 1960-1962. Mr. Hilado is a Certified Public Accountant. He has been part of the Lopez Group in a Directorship capacity within the last five (5) years. Mr. Hilado is likewise an independent director of A. Soriano Corporation.

**ELPIDIO L. IBAÑEZ**  
58 Years Old, Filipino

Mr. Elpidio L. Ibañez has been a Director of the Company since 1988 and was promoted to the position President & Chief Operating Officer in May 1994, a position which he holds up to the present. Mr. Ibañez was an Executive Vice President from 1987 to 1994. He was Vice President from 1985 to 1987. He is the Chairman of the Board of Trustees of the Retirement Fund and the Employee Stock Purchase Plan Board of Administrators as well as member of the Executive Committee. He is Chairman of the Board of First Batangas Hotel Corp. and the President of First Phil. Union Fenosa, Inc. He is also a Director of various FPHC subsidiaries and affiliates such as First Balfour, First Phil. Electric Corp., First Phil. Industrial Corp., First Phil. Industrial Park, Phil. Electric Corp. and Securities Transfer Services, Inc. He graduated with an AB Economics Degree from Ateneo de Manila University. He pursued his MBA at the University of the Philippines in 1975. He has been part of the Lopez group in an executive capacity for the last five (5) years. Mr. Ibañez is likewise a director in First Gen.

**EUGENIO LOPEZ III**  
56 Years Old, Filipino

Mr. Eugenio L. Lopez III is a director and member of the Investment and Finance Committee. He has been a director of the Company since June 2005. He is also the Chairman of the Board of ABS-CBN and has held this position since December 10, 1997. He joined ABS-CBN in 1986 as Finance Director before he became General Manager in 1988 and thereafter President in 1993. He worked as General Manager of the MIS group, Crocker National Bank in San Francisco, USA. Mr. Lopez is a recipient of various Philippine broadcasting industry awards. Mr. Lopez served as Director of ABS-CBN from 1986 to 1997 and as Chairman and Chief Executive Officer since 1997. He graduated with a Bachelor of Arts degree in Political Science from Bowdoin College and has a Masters degree in Business Administration from Harvard Business School. He has been part of the Lopez group in a directorship capacity within the last five (5) years.

**FEDERICO R. LOPEZ**  
47 Years Old, Filipino

Mr. Federico R. Lopez has been a director of the company since February 2006. He was promoted to Senior Vice President last December 2007. He was appointed Managing Director for

Energy in February 2008. He also sits as member of the Company's Investment and Finance Committee. He has been a Vice President and Asst. Treasurer of the Company since 1993. He is the President & Chief Executive Officer of First Gen and sits on the board of First Gen's various subsidiaries. He is currently the President of First Phil. Conservation, Inc. He is also a member of the Board of Directors of various subsidiaries such as First Balfour, First Phil. Electric Corp., First Gen Renewables Inc., ABS-CBN and Bauang Private Power Corp. He was an Asst. Vice President from October 1, 1990 to February 2, 1994. He graduated with a Bachelor of Arts Degree with a Double Major in Economics & International Relations (Cum Laude) from the University of Pennsylvania in 1983. He has been part of the Lopez group in an executive capacity for the last five (5) years.

**MANUEL M. LOPEZ**  
66 Years Old, Filipino

Mr. Manuel M. Lopez has been a Director of the Company since 1992. Mr. Lopez is the Chairman & Chief Executive Officer of Meralco. He is also the Chairman of Rockwell and the Philippine Commercial Capital, Inc. He is also a Director of ABS-CBN, Benpres Holdings Corp., First Private Power Corp. and First Phil. Realty Corp. He was an Executive Vice President of Benpres from 1973 to 1986 and of AFISCO Insurance Corp. from 1975 to 1982. He graduated with a Bachelor of Science Degree in Business Administration from the University of the East in 1967. He has been part of the Lopez group in an executive and directorship capacity for the last five (5) years.

**VICENTE T. PATERNO**  
Independent Director  
82 Years Old, Filipino

Mr. Vicente T. Paterno has been a Director of the Company since 2003. He is a member of the Nomination and Election Committee, the Compensation and Remuneration Committee and Chairman's Compensation and Remuneration Committee. Mr. Paterno is the Founding Chairman of Philippine Seven Corp. since 1982. He served as a Senator from July 1987 to June 1992 and Chairman of the Committee on Economic Affairs. He likewise served as Deputy Executive Secretary for Energy, Office of the President, from April 1986 to February 1987. He was Chairman and President of the PNOC from March 1986 to February 1987. He also served as Chairman, Board of Investments, June 1970 to June 1979, concurrently Minister of Industry, August 1974 to June 1979; and as Minister of Public Highways in July 1979 until he resigned in November 1980. He graduated with a Bachelor of Science in Mechanical Engineering Degree from the University of the Philippines and pursued his Master of Business Administration (with Distinction) at the Harvard University. He has been part of the Lopez group in a directorship capacity for the last five (5) years. Mr. Paterno is likewise an independent director of both Benpres.

**ERNESTO B. RUFINO, JR.**  
67 Years Old, Filipino

Mr. Ernesto B. Rufino, Jr. was the Chief Finance Officer, Treasurer, and a Senior Vice President of the Company until his retirement in 2007. He became a director of the Company from 1986 to 2001. He was re-elected to the board in January 2003 and has remained a director since then. He sits as member of the newly constituted Risk Management Committee. He is also the Chairman & Chief Executive Officer of Health Maintenance,

Inc. and the President of STSI. He is also the Chairman & President of Zyloid Management, Inc. and a Director of First Balfour, First Philec, FPIP, FPUF, Inaec Development Corp., Philec, and Trust International Paper Corp. Before joining the Company, he served as the President of Merchants Investments Corp. and Chairman & CEO of Mever Films, Inc. He has an AB, BSBA degrees from De La Salle University and an MBA degree from Harvard University.

**WASHINGTON Z. SYCIP**

Independent Director  
87 Years Old, American

Mr. Washington Z. Sycip has been a Director since 1997. Mr. Sycip also sits as member of the Company's Audit Committee, Nomination and Election Committee, and the Compensation and Remuneration Committee. Mr. Sycip is the Founder of the SGV group, auditors and management consultants, with operations throughout East Asia, and advisor to Arthur Andersen. He is the Chairman of the Board of Trustees and Board of Governors of the Asian Institute of Management. He was Chairman of the Euro-Asia Centre, INSEAD Fountainbleau from 1981 to 1988 and President of the International Federation of Accountants from 1982 to 1985. He graduated with a Bachelor of Science in Commerce degree (Summa Cum Laude) and a Master of Science in Commerce degree (Meritissimus) from the University of Santo Tomas, Philippines. He pursued his Master of Science in Commerce at Columbia University, New York and was admitted to the Beta Gamma Sigma, Honorary Business Society. He has been part of the Lopez group in a directorship capacity within the last five (5) years. Mr. Sycip is likewise Chairman of MacroAsia Corporation and an independent director of Benpres, Belle Corporation and Highlands Prime, Inc.

**CESAR B. BAUTISTA**

Independent Director  
70 Years Old, Filipino

Mr. Cesar B. Bautista is a member of the Risk Management Committee. He was an Ambassador Extraordinary & Plenipotentiary to the United Kingdom of Great Britain and Northern Island, Republic of Ireland and Republic of Iceland. He was a Permanent Representative to the United Nations International Maritime Organization and a Special Presidential Envoy to Europe. Ambassador Bautista served as Secretary of the Department of Trade and Industry for five years. He served as Chairman of the Board of Investments, Export Development Council, Industry and Development Council, WTO/AFTA Advisory Commission, the National Development Corp., the Presidential Committee on National Museum Development and Cabinet Committee on Tariff and Related Matters, Economic Growth Areas/Zones, etc. He was President and Chairman of Philippine Refining Company Inc.-Unilever for eight years. He graduated with a degree in Bachelor of Science in Chemical Engineering from the University of the Philippines and pursued his Master's Degree in Chemical Engineering at the Ohio State University. His business experience for the last five (5) years includes the positions held above. Mr. Bautista is likewise an independent director of Asian Terminals, Inc. and ABS-CBN. He assumed office as a director of FPHC last June 29, 2007.

**ARTEMIO V. PANGANIBAN**

Independent Director  
71 Years Old, Filipino

Hon. Artemio V. Panganiban was the Chief Justice of the Philippines from 2005 to 2006. He was Justice of the Supreme Court from 1995 to 2005. He is a columnist of the Philippine

Daily Inquirer, and acts as Adviser, Consultant or Independent Director of several business, civic, non-government and religious groups. He graduated in Associate in Arts with Highest Honors from the Far Eastern University in 1956 and was the Most Outstanding Student in 1960. He was 6th placer in the 1960 Bar Examinations with a grade of 89.55 percent. Chief Justice Panganiban is also an independent director of GMA Network, Inc., Meralco, Metro Pacific Investments Corporation, Robinsons Land Corporation, Manila North Tollways Corporation and Tollways Management Corporation. He is also Senior Adviser to Metropolitan Bank and Trust Company. He assumed office as an independent director of FPHC last July 5, 2007 and is Chairman of the Risk Management Committee.

## **EXECUTIVE/CORPORATE OFFICERS**

### **FRANCIS GILES B. PUNO** 44 Years Old, Filipino

Francis Giles B. Puno was appointed Chief Finance Officer and Treasurer of FPHC in October 2007, and was promoted to Senior Vice President in December 2007. He was Vice President since he joined the Company in June 1997. He is currently Executive Vice President & Chief Finance Officer of First Gen. He is also a director and officer of the First Gen, its subsidiaries and affiliates, and of First Balfour, Inc., FEDCOR, First Phil. Electric Corp., First Phil. Industrial Park, Inc. and First Phil. Union Fenosa, Inc. Before joining FPHC, he worked with The Chase Manhattan Bank as Vice President for Global Power. He has a Bachelor of Science degree in Business Management from the Ateneo de Manila University and a Master of Management degree from Northwestern University's Kellogg Graduate School of Management. He has been part of the Lopez group in an executive capacity for the last five (5) years.

### **ARTHUR A. DE GUIA** 56 Years Old, Filipino

Arthur A. de Guia has been the Managing Director for Manufacturing and Portfolio Investments since he joined the Company in June 1997. He is currently the President of First Phil. Electric Corp. He is also a member of the Board of Directors of various FPHC subsidiaries and affiliates. He worked as a Manufacturing Director for the Malaysian Operations of Colgate-Palmolive Company from 1994 to 1997. He graduated Cum Laude with a Bachelor of Science in Electrical Engineering degree from the Mapua Institute of Technology in 1973. He pursued his Master of Engineering in Industrial Management degree at the Asian Institute of Technology (Thailand) from 1974 to 1975 and his Doctor of Engineering in Industrial Engineering degree from the University of California (Berkeley) from 1979 to 1983. He has been part of the Lopez group in an executive capacity for the last five (5) years.

### **FIGEORRELO R. ESTUAR** 70 Years Old, Filipino

Fiorello R. Estuar became the Head of the Infrastructure Business Development of the Company in August 2007. He has been the Vice Chairman and Chief Executive Officer of First Balfour since November 2006. He was President of Maynilad Water Services from 2004 up to June 2007. He also served as President of First Philippine Balfour Beatty, Inc. from 2001 to 2004, and as a Board Member of Security Land Corporation

from 2004 to 2006. He was Head of Agency of four major government agencies, namely, NIA, PNCC, ESF and DPWH from 1980 to 1991. He earned his PhD degree in Civil Engineering at the age of 27 while serving as a faculty and research staff at Lehigh University USA from 1960 to 1965. He was also a faculty member at the U.P. Graduate School of Engineering from 1968 to 1970. He has been part of the Lopez group in an executive capacity within the last five (5) years.

**DANILO C. LACHICA**  
53 Years Old, American

Daniilo C. Lachica has been a Senior Vice President of the Company since July 2005. He was a Vice President from May 1999 until June 2005. He was President of FSCI until October 1, 2007. He is a Director & Managing Director for Electronics of First Philec, Philec and FEDCOR. He is currently President of First Philec Solar Corporation. He graduated with a B.S. in Electrical Engineering degree from the University of the Philippines and pursued his M.B.A. at the San Jose State University, San Jose, California, U.S.A. He is currently taking up his D.B.A. degree at De La Salle University. He has been part of the Lopez group in an executive capacity for the last five (5) years.

**RICHARD B. TANTOCO**  
42 Years Old, Filipino

Richard B. Tantoco was promoted to Senior Vice President last December 2007. He has been a Vice President of the Company since May 1997. He is currently Executive Vice President and Chief Operating Officer of First Gen. He is also a director and officer of First Gen subsidiaries and affiliates. Prior to joining FPHC, he worked as a Brand Manager with Procter and Gamble Philippines and as a member of the consulting firm Booz Allen and Hamilton, Inc. based in New York. He has a BS in Business Management degree from the Ateneo de Manila University where he graduated with honors and an MBA in Finance from the Wharton School of Business of the University of Pennsylvania. He has been part of the Lopez group in an executive capacity for the last five (5) years.

**PERLA R. CATAHAN**  
55 Years Old, Filipino

Perla R. Catahan has been a Vice President and Comptroller of the Company since 1994. She is a Director of First Philec, Philec and STSI. She is also the comptroller of various FPHC subsidiaries. She was an Assistant Vice President of the Comptrollership group from 1986 to 1994. She graduated Magna Cum Laude with a Bachelor of Science in Commerce (Major in Accounting) degree from the Philippine College of Commerce in 1974 and pursued her Master in Business Management degree at the Asian Institute of Management in 1983. She has been part of the Lopez group in an executive capacity for the last five (5) years.

**ANTHONY M. MABASA**  
49 Years Old, Filipino

Anthony M. Mabasa has been a Vice President of the Company since 1994. He is currently a Director of First Balfour, Inc. and FEDCOR. He was President of FPIC from 2000 to 2003, an Executive Vice President of First Balfour from 1998 to 1999 and President & Chief Operating Officer of ECCO-Asia from August 1994 to October 1999. He earned a degree in Bachelor of Science in Commerce Major in Management of Financial Institutions from the De La Salle University in 1979. He pursued

his Master in Business Administration degree at the University of the Philippines in 1994. He has been part of the Lopez group in an executive capacity for the last five (5) years.

**LEONIDES U. GARDE**

51 Years Old, Filipino

Leonides U. Garde has been a Vice President of the Company since 1994. He was an Assistant Vice President from 1991 to 1993. He is currently the President & Chief Operating Officer of First Philippine Industrial Corp. and a Director of Philec. He earned a degree in BSME from the University of the Philippines in 1979 and pursued his MBA at the Ateneo Graduate School of Business from 1981 to 1984. He has been part of the Lopez group in an executive capacity for the last five (5) years.

**RICARDO B. YATCO**

54 Years Old, Filipino

Ricardo B. Yatco has been a Vice President of the Company since 1996. Prior to this posting, he was a Vice President of FPIC. He earned a degree in BS Industrial Management Engineering from the De La Salle University from 1972 to 1977 and pursued his MBA at the University of San Francisco from 1980 to 1982. He has been part of the Lopez group in an executive capacity for the last five (5) years.

**HECTOR Y. DIMACALI**

58 Years Old, Filipino

Hector Y. Dimacali has been a Vice President of the Company since April 1997. He is currently the President of FPIP. He was also a Director and President of FSRI in 1997. He is also a Director of First Philec and First Batangas Hotel Corp. He was an Assistant Vice President from December 1994 to March 31, 1997. He earned a degree in B.S.E.E. from the University of the Philippines in 1973. He has been part of the Lopez group in an executive capacity for the last five (5) years.

**VICTOR EMMANUEL B. SANTOS, JR.**

41 Years Old, Filipino

Victor Emmanuel B. Santos, Jr. has been Vice President since March 30, 2001. He is currently Vice President and Compliance Officer of First Gen and Vice President of FGP. Before joining FPHC, he worked as Director for Global Markets at Enron Singapore. He earned his MBA in Finance at Fordham University, New York in 1995. He has been part of the Lopez group in an executive capacity for the last five (5) years.

**OSCAR R. LOPEZ, JR.**  
49 Years Old, Filipino

Oscar R. Lopez, Jr. has been Vice President since May 2001. He is currently the Head of the Administration Department of FPHC. He is currently the President of INAEC Development Corp. and First Philippine Development Corp. and is a Director of First Philec. He has been with the Company since October 1996. He went to college at the De La Salle University and attended the EMBA Program of the Asian Institute of Management. He has been part of the Lopez group in an executive capacity for the last five (5) years.

**ROBERT C. CHAN**  
60 Years Old, Filipino

Robert C. Chan has been Vice President since May 2001. He is a Director and Managing Director for Electricals of First Philec and is the President of First Philippine Power Systems. He has been the President of Philec since 1995 and of FEDCOR since 2000. He was Executive Vice President from 1994 to 1995 and Vice President-Marketing from 1987 to 1994 of Philec. He earned a degree in Bachelor of Science in Electrical Engineering from the Mapua Institute of Technology in 1970 and pursued his Masters in Business Administration at the University of the Philippines from 1982 to 1984. He has been part of the Lopez group in an executive capacity for the last five (5) years.

**RODRIGO E. FRANCO**  
49 Years Old, Filipino

Rodrigo E. Franco has been Vice President since April 2003. Mr. Franco came from JP Morgan Chase Bank where he worked for 20 years in Planning & Financial Management and Corporate Finance. Mr. Franco is part of FPHC's finance team. He earned a degree in Bachelor of Science in Management Engineering from the Ateneo de Manila University in 1981. He attended Ateneo de Manila University's Graduate School of Business from 1983 to 1988. He has been part of the Lopez group in an executive capacity within the last five (5) years.

**BENJAMIN R. LOPEZ**  
38 Years Old, Filipino

Benjamin R. Lopez is a Vice President and Head of Corporate Communications. He has occupied this position since November 2006. He has been with FPHC since October 1993. He was assigned to Rockwell in May 1995 where he held various posts in Business Development, Sales and Marketing. Prior to his recall to FPHC in June 2004, he was a Vice President for Project Development of Rockwell. He was promoted to Vice President of FPHC in November 2006. He is also a member of the Board of Directors of various subsidiaries such as First Philec, Philec, MHE-Demag (P), Inc. and FEDCOR. He graduated with a Bachelor of Arts degree in International Affairs in 1992 from the George Washington University. He pursued his Executive Masters in Business Administration degree at the Asian Institute of Management in 2001. He has been part of the Lopez group in an executive capacity for the last five (5) years.

**RAMON T. PAGDAGDAGAN**  
50 Years Old, Filipino

Ramon T. Pagdagdagan is a Vice President & Head of Internal Audit since August 2007. He has been with FPHC since October 1994. He was the MIS Manager from Oct. 1994 to February 1997 and the Asst. Vice President of Comptrollership group from March 1997 until March 2000. He was Assistant Vice President of the Internal Audit group from April 2000 until July 2007. He was assigned to Maxidata, Inc. as Assistant Comptroller from July 1993 to September 1994. He graduated with a Bachelor of Science degree in Commerce-Accounting from the Polytechnic University of the Philippines in 1980. He pursued his Executive Masters in Business Administration degree at the Asian Institute of Management from 1999 to 2000. He has been part of the Lopez group in an executive capacity for the last five (5) years.

**ARIEL C. ONG**  
47 Years Old, Filipino

Ariel C. Ong joined First Philec as a full time consultant in 2007. He was elected as Vice President of FPHC last September 6, 2007 and is seconded to First Philec as a Senior Vice President. He has over twenty years experience in plant general management and end to end supply chain leadership as well as project management and business process engineering. Prior to joining First Philec, he was Regional Vice President / General Manager and Supply Chain Head for Southeast Asia of Avon Products - Asia Pacific Supply Chain. He is a Mechanical Engineer and obtained his Master of Science in Engineering (Energy) from the University of the Philippines in 1990.



**ELIZABETH M. CANLAS**  
57 Years Old, Filipino

Elizabeth M. Canlas has been a Vice President of the company since November 2007. She was Assistant Vice President for Human Resource Management Group from 1995-2007. She is currently a core group member of the Lopez Group's Corporate HR, HR Council, CSR (Corporate Social Responsibility) Council and the Lopez Lifelong Wellness team. She is the chair of the HR professional development committee of the HR Council and the functional head of the Human Resource Officers' Committee of the First Holdings' Group HRs. She is also the Managing Editor of Tanglaw, the official publication of the First Holdings Group of Companies. She has been part of the Lopez group in an executive capacity for the last five (5) years.

**ENRIQUE I. QUIASON**  
48 Years Old, Filipino

Enrique I. Quiason has been the Corporate Secretary of the Company since 1993. He is a Senior Partner of the Quiason Makalintal Barot Torres Ibarra & Sison Law Firm. He is also the Corporate Secretary of Benpres and Assistant Corporate Secretary of ABS-CBN. He is also the Corporate Secretary and Assistant Corporate Secretary of various subsidiaries or affiliates of FPHC and Benpres. He graduated with a B.S. Business Economics degree in 1981 and with a Bachelor of Laws degree in 1985 from the University of the Philippines. He pursued a degree in LL.M. Securities Regulation at Georgetown University in 1991. His law firm has acted as legal counsel to the Lopez group for the last five (5) years.

**RODOLFO R. WAGA, JR.**  
49 Years Old, Filipino

Rodolfo R. Waga, Jr. has been a Vice President of the Company since May 2001 and is the Assistant Corporate Secretary of the Company. He is also the Corporate Secretary and Assistant Corporate Secretary of various FPHC subsidiaries and affiliates. He graduated Magna Cum Laude with a Bachelor of Arts degree Major in Economics from the Xavier University (Ateneo de Cagayan) in 1979 and a Bachelor of Laws degree from the University of the Philippines in 1983. He completed the academic requirements for his EMBA at the Asian Institute of Management. He has been part of the Lopez group in an executive capacity for the last five (5) years.

#### OTHER MATTERS

Proposed Amendments to the By-Laws

The Board of Directors has approved, in its meeting last November 6, 2008, the following proposed amendments to the By-Laws of the corporation:

#### **1.) ARTICLE I, SECTION 7: VOTING**

**PROPOSED CHANGE:** Changing the maximum number of days within which all proxies must be submitted – from three (3) to five (5) working days before the meeting.

“Article I, Section 7. VOTING. - Except as otherwise provided by law, each stockholder of record shall be entitled at every meeting of stockholders to one vote for each share of stock outstanding in his name on the stock & transfer books of the Corporation. In the election of directors each stockholder entitled to vote for directors may accumulate and

distribute his votes in accordance with the provisions of law applicable in such case. The stockholders may delegate in writing their right to vote and unless otherwise expressed, such delegation or proxy 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 of the Corporation not later than ~~three (3)~~ **five (5) working days** before the time set for the meeting.”

**Reason: This gives more time for the company (or the appropriate proxy validation committee) to rule on possible disputes on the validation of proxies before the stockholders’ meeting is held.**

## **2.) ARTICLE II, SECTION 1: This is a new provision.**

“Section 1. Board’s General Responsibility – It is the Board’s responsibility to foster the long-term success of the Corporation and secure its sustained competitiveness in a manner consistent with its fiduciary responsibility, which it shall exercise in the best interest of the corporation, and in proper cases, its shareholders as a whole.”

**Reason: This affirms the mandate of the Board pursuant to SEC Memorandum Order No. 02-02 (Code of Corporate Governance). This statement is taken substantially from the Company’s Manual for Corporate Governance.**

## **3.) ARTICLE II, SECTION 2 (re-numbered to Section 3) - DISQUALIFICATIONS**

### **PROPOSED CHANGE: ADDITIONAL DISQUALIFICATIONS OF DIRECTORS**

“Section 3. **Disqualifications** – Any stockholder may be elected Director; provided, however, that no person shall qualify or be eligible for nomination or election to the Board of Directors if he is engaged in any business or activity which competes with or is antagonistic to that of the Corporation or any of its subsidiaries and affiliates. 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 10% 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 or activity which the Board, by at least two-thirds vote of the directors present constituting a quorum, determines to be competitive or antagonistic to that of the Corporation or its subsidiaries and affiliates; or

(b) If he is an officer, manager or controlling person of, or the owner (either of record or beneficially) of 10% or more of any outstanding class of shares of any other corporation or entity engaged in any line of business of the Corporation or that of its subsidiaries and affiliates and in the judgment of the Board, by at least two-thirds vote of the directors present constituting a quorum, 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 two thirds vote of the directors present constituting a quorum that he is the nominee of any person set forth in (a) or (b).

~~The term "subsidiary" as used in this Section is defined as a corporation or entity in which First Philippine Holdings Corporation directly or indirectly owns, controls or has the power to vote at least majority of the shares or interests therein.~~

~~The term "affiliate" as used in this Section is defined as a corporation or entity in which First Philippine Holdings Corporation directly or indirectly owns, controls or has the power to vote at least ten percent (10%) but not more than fifty percent (50%) of the shares or interests therein.~~

~~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 relationships.~~

~~For the proper implementation of this provision, all nominations for the election of Directors by the stockholders shall be submitted in writing to the Board of Directors on or before the regular Board Meeting before the scheduled date of the annual stockholders' meeting.~~

In addition, no person shall qualify or be eligible for nomination as a director if:

- a. There is a finding against him by final and executory judgment by the Securities and Exchange Commission or a court or other administrative body of competent jurisdiction of a willful serious violation, or willful aiding, abetting, counseling, inducing, or procuring of the serious violation of, any material provision of the Securities Regulation Code, the Corporation Code, or any other law administered by the Commission or Bangko Sentral ng Pilipinas, or any material rule, regulation or order of the Commission or Bangko Sentral ng Pilipinas;
- b. He is judicially declared insolvent;
- c. There is a finding against him by final judgment by a foreign court or equivalent regulatory authority with competent jurisdiction of acts, violations or misconduct similar to any of the acts, violations or misconduct listed in the foregoing paragraphs;
- d. He previously committed patently unlawful act(s) or other act(s) deemed prejudicial or inimical to the reputation and/or interest of the Corporation, its subsidiaries or affiliates;
- e. He committed acts causing undue injury to the Corporation, its subsidiaries or affiliates or committed acts causing injury to another corporation while acting as a director therein; or
- f. He previously committed gross negligence or bad faith in directing the affairs of another corporation where he served as a director."

The term "subsidiary" as used in this Section is defined as a corporation or entity in which First Philippine Holdings Corporation directly or indirectly owns, controls or has the power to vote at least majority of the shares or interests therein.

The term "affiliate" as used in this Section is defined as a corporation or entity in which First Philippine Holdings Corporation directly or indirectly owns, controls or has the power to vote at least ten percent (10%) but not more than fifty percent (50%) of the shares or interests therein.

**A person can likewise be disqualified from continuing in office for the occurrence of any of the foregoing subsequent to his election.**

**In determining whether or not a person is engaged in business or activity which competes with or is antagonistic to that of the Corporation or any of its subsidiaries and affiliates, or if he is a controlling person, beneficial owner, or the nominee of another or if he has or suffers from the foregoing disqualifications, the Board may also take into account such factors as business, professional, family relationships and other circumstances as may be appropriate.**

**For the proper implementation of this provision, all nominations for the election of Directors by the stockholders shall be submitted in writing to the nomination and election committee at least a week prior to the regular Board Meeting before the scheduled date of the annual stockholders' meeting.**

**REASONS:** *Pursuant to sound corporate governance and inherent power to adopt by-laws to regulate the conduct and prescribe the rights and duties of stockholders, it is deemed reasonable and beneficial for the corporation to provide for additional grounds to disqualify a director to protect its interest and/or reputation. The right of a corporation to provide in its By-laws additional qualifications (which logically includes disqualifications) of directors is recognized under Section 47(5) which states:*

*Section 47. Contents of By-Laws. – Subject to the provisions of the Constitution, this Code, other special laws, and the articles of incorporation, a private corporation may provide in its by-laws for:*

xxx    xxx    xxx

5. The qualifications, duties and compensation of directors or trustees, officers and employees.

xxx    xxx    xxx”

*This right has also been recognized by the Supreme Court. In Gokongwei vs. Securities & Exchange Commission, G.R. No. L-45911, April 11, 1979, the Supreme Court upheld the right of corporations to amend its by-laws which renders a stockholder ineligible to be director, if he is also director in a corporation whose business is in competition with that of the other corporation. The Court held as valid the proposed amendment considering it as a measure of self-protection to disqualify a competitor from nomination and election to its Board of Directors. The Court also declared that in the absence of any legal prohibition or overriding public policy, wide latitude may be accorded to the corporation in adopting measures to protect legitimate corporate interests. Thus, "where the reasonableness of a by-law is a mere matter of judgment, and upon which reasonable minds must necessarily differ, a court would not be warranted in substituting its judgment instead of the judgment of those who are authorized to make by-laws and who have expressed their authority" (Gokongwei vs. Securities & Exchange Commission, supra).*

*Following the ruling in the Gokongwei case, the additional disqualifications are reasonable limitations and therefore proper.*

*Sub-items (a) to (c) are already found in the Manual for Corporate Governance in Paragraph 6.1.5 and are included in the amendments. Paragraph 6.1.5 reads as follows:*

*“6.1.5. Disqualifications of a Director*

*The Board shall consider the following disqualifications of a Director:*

- a. *Finding by final and executory judgment by the Commission or a court or other administrative body of competent jurisdiction of a willful serious violation, or willful aiding, abetting, counseling, inducing, or procuring of the serious violation of, any material provision of the Securities Regulation Code, the Corporation Code, or any other law administered by the Commission or Bangko Sentral ng Pilipinas, or any material rule, stipulation or order of the Commission or Bangko Sentral ng Pilipinas;*
- b. *Judicial declaration of insolvency;*
- c. *Finding by final judgment by a foreign court or equivalent regulatory authority with competent jurisdiction of acts, violations or misconduct similar to any of the acts, violations or misconduct listed in the foregoing paragraphs;*
- d. *Conviction by final judgment of an offense punishable by imprisonment for a period exceeding six (6) years, or a violation of the Corporation Code, committed within five (5) years prior to the date of his election or appointment;<sup>8</sup> or*
- e. *Disqualification under Art II, Sec 2 of the By-laws.”*

**On the other hand, sub-items (d) and (g) are derived substantially from Section 31 of the Corporation Code which provides:**

*“SEC. 31. Liability of directors, trustees or officers. – Directors or trustees who willfully and knowingly vote for or assent to patently unlawful acts of the corporation or who are guilty of gross negligence or bad faith in directing the affairs of the corporation or acquire any personal or pecuniary interest in conflict with their duty as such directors or trustees shall be liable jointly and severally for all damages resulting therefrom suffered by the corporation, its stockholders or members and other persons.*

*When a director, trustee or officer attempts to acquire or acquires, in violation of his duty, any interest adverse to the corporation in respect of any matter which has been reposed in him in confidence, as to which equity imposes a disability upon him to deal in his own behalf, he shall be liable as a trustee for the corporation and must account for the profits which otherwise would have accrued to the corporation.”*

**3.) ARTICLE II, SECTION 10 – This is a new provision.**

**“Section 10. Manual for Corporate Governance – To aid the Board of Directors in the promotion of and adherence to the principles of good governance, the Board adopted a Manual for Corporate Governance which may be amended from time to time as may be deemed fit by the Board and such Manual shall be suppletory to these By-Laws.”**

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<sup>8</sup> This is already provided for by law in Section 27 of the Corporation Code:

*“SEC. 27. Disqualification of directors, trustee or officers. – No person convicted by final judgment of an offense punishable by imprisonment for a period exceeding six (6) years, or a violation of this Code committed within five (5) years prior to the date of his election or appointment, shall qualify as a director, trustee or officer of any corporation.”*

**REASON: This institutionalizes the Company's commitment to good governance by providing for the suppletory applicability of the Manual for Corporate Governance.**

#### Voting Procedures

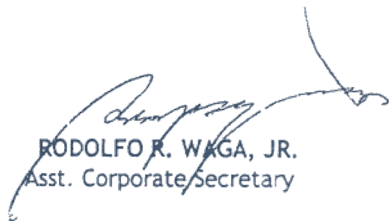
(a) Vote Required For Approval: Approval of any motion which may come before the meeting would require the affirmative vote of a majority of the shares of the Company's common stock present and/or represented and entitled to vote.

The Corporate Secretary (or in this absence, the Assistant Corporate Secretary) is primarily responsible for counting the votes based on the number of shares entitled to vote owned by the stockholders who are present or represented by proxies at any meeting of the stockholders with the assistance of the Company's stock transfer agent and in the presence of its external auditor.

(b) Method: The manner of voting is non-cumulative. Unless a motion is duly made and seconded, the voting shall be made *viva voce* and counted manually by the Corporate Secretary or the Asst. Corporate Secretary with the assistance of the independent auditors and the Company's stock transfer agent. Unless required by law or demanded by a qualified stockholder, voting need not be by ballot.

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Pasig on 25 November 2008.

By:



RODOLFO R. WAGA, JR.  
Asst. Corporate Secretary



November 25, 2008

**NOTICE OF SPECIAL MEETING OF STOCKHOLDERS**

TO ALL STOCKHOLDERS  
FIRST PHILIPPINE HOLDINGS CORPORATION

Please take notice that the Special Meeting of the Stockholders of our Corporation will be held on *Thursday, January 15, 2009, at 3:00 p.m.* at the *Meralco Theater, Lopez Building, Ortigas Avenue, Pasig City*, to discuss the following:

- Call to Order
- 2 Proof of Required Notice
- 3 Determination of Quorum
- 4 Proposed Amendments of the Following Provisions of the By-Laws:
  - In Article I, Section 7, the proxies must be submitted to the corporation not later than five (5) working days before the stockholders meeting
  - A new provision is introduced as Article II, Section 1 which provides for the general responsibility of the Board of Directors
  - In Article II, Section 2, additional qualifications/disqualifications are prescribed for directors covering items such as disqualification for violations of the SRC, Corporation Code and rules administered by the BSP and SEC, insolvency, analogous acts in another jurisdiction, other acts prejudicial, inimical or causing undue injury to the corporation, its subsidiaries or affiliates, and gross negligence or bad faith committed as a director in any other company; and
  - A new provision is introduced as Article II, Section 10 to provide that pursuant to good corporate governance, the Board is governed by the Manual for Corporate Governance, which shall be supplementary to the By-Laws.
- 5 Other Matters
- 6 Adjournment

For the purpose of the meeting, only stockholders of record as of November 21, 2008 are entitled to attend and to vote in the said meeting.

All stockholders who will not, are unable, or do not expect to attend the meeting in person may choose to execute and send a valid proxy to our Stock Transfer Agent, Securities Transfer Services, Inc., Ground Floor, Benpres Building, Exchange Road cor. Meralco Avenue, Pasig City on or before January 12, 2008.

Please note that Management is not asking you for a proxy nor is it requesting you to send a proxy in its favor.

By orders of the Board of Directors,

  
**RODOLFO R. WAGA, JR.**  
Asst. Corporate Secretary