

**AMENDED ARTICLES OF INCORPORATION**

**OF**

**AYALA CORPORATION**  
(SEC Reg. No. 34218)

KNOW ALL MEN BY THESE PRESENTS THAT:

WE, all of legal age and residents of the Philippines, have this day voluntarily associated ourselves for the purpose of forming a corporation in accordance with the laws of the Philippines; and

BY THESE PRESENTS CERTIFY:

**FIRST** - That the name of the said Corporation is:

**“AYALA CORPORATION”**

**SECOND** - That the purpose or purposes for which said Corporation is formed are as follows:

**PRIMARY**

To take over, carry on, undertake and acquire the business, assets and goodwill of the general partnership known as Ayala y Compania (Ayala and Company) and to assume all the obligations and liabilities of the said partnership, actual and contingent.

**SECONDARY**

(1) To deal, engage and transact, directly or indirectly, all forms of business and mercantile acts and transactions concerning all kinds of real or personal property, movables, semi-movables, goods, wares, chattels, choses in action, tangible and intangible property, technical and industrial equipment and machineries, personal and real rights, commercial papers and documents, securities, evidences of indebtedness or representatives of value or other forms of obligations, services, and all things, including future ones, which are not excluded from the commerce of man or which are not contrary to law or good morals;

(2) To borrow or raise money or funds for the purpose of the corporation, and in pursuance thereof, to issue any mortgages, hypothecations, deeds of trust, debentures, bonds, liens or obligations of the corporation, either at par, premium or discount, secured by all or any part of the undertakings, revenues, rights, and properties of the corporation and to exchange or vary from time to time any such securities;

(3) To carry on a general mercantile and commercial business, buying or otherwise acquiring, holding, importing, and exporting, selling and otherwise disposing, and dealing in goods, wares, merchandise or anything of any nature, natural or artificial, which or may become an article of commerce;

(4) To act as financial, commercial or general agent or factor to undertake the general management or administration of the business, properties and affairs of any person, partnership, firm, company, corporation or association in carrying on, either within or without the Philippines, any transaction or negotiation of any business of fire, life, marine, or accidental insurance, shipping, air, water, or land passenger and/or freight transportation, maritime, commercial, manufacturing or other business of any nature whatsoever and while so acting as such agent, factor or manager, to perform such acts, enter into such contracts and obligations and carry on such transactions as shall tend to promote the best interest of the corporation and of those it represents;

(5) To do a general business as commission merchant, selling agent and factor and conduct, manage and operate the general business of importers and exporters, to make such contracts as may from time to time be required to be made; to deal or traffic in, negotiate, acquire, keep and dispose of commercial or other papers;

(6) To make, produce, manufacture, or to aid in the making, production or manufacturing of any article or articles of any kind whatsoever, or to subject such thing to any process or treatment for the purpose of enhancing its value;

(7) To acquire for itself or in behalf of others, by purchase, or otherwise dispose of the stocks, bonds, debentures, certificates, or other securities of any corporation, domestic or foreign, or the bonds or other obligations and evidences of indebtedness, of any person or persons, in the same manner and extent as judicial person might, could or would do, and while owner or holder of such stocks, bonds or other securities, to exercise all the rights, powers and privileges appurtenant thereto;

(8) To apply for, obtain, register, lease, license, purchase or otherwise acquire, and to hold, use, own, operate, sell, assign, or otherwise dispose of any trade mark, trade names, trade secrets, formulae, patents, inventions, copyrights, improvements and processes used in connection with or secured under letters, patents, or copyrights, domestic or foreign;

(9) Directly or indirectly, to buy, sell, rent, manufacture, install, use, operate and generally deal in and with machines, mechanisms, devices, apparatus, inventions, gadgets, equipment, and all kinds and types of technical and industrial improvements known to and within the commerce of man;

(10) To make, enter into, execute, ratify, confirm, sign, undertake and perform contracts or any and all kinds and descriptions with any person, firm or corporation, whether governmental, public or private, without limit as to amount and conditions, including but not by way of limitation, contracts creating rights, encumbrances, liens, easements, servitudes and other privileges respecting any of the property of any kind owned by the corporation; and

(11) To do all such other things and acts as are necessarily or impliedly included, incidental or conducive to the attainment of the above objects or any of them, or which may be conveniently carried on and indirectly, to enhance the value of or render profitable any business of the corporation, always provided that nothing shall be done in connection with any of the above objects which is prohibited by any of the laws of the Philippines now or hereafter existing, and provided further that the funds of the corporation invested for one purpose shall not be diverted for another purpose except in accordance with Section 17-1/2 of the Corporation Law, as amended.

**THIRD.** - That the place where the principal office of the corporation is to be located or established is in Metro Manila, Philippines, but it may establish branch offices in any part of the Philippines or in such other places outside the Philippines as may be approved by the Board of Directors. (As Amended on 21 May 1992)

**FOURTH.** - That the term for which said corporation is to exist is fifty (50) years from the date of incorporation.

**FIFTH.** - That the names and residences of the incorporators of said corporation, and their nationalities, are the following:

<b><u>Names</u></b>	<b><u>Residences</u></b>	<b><u>Nationalities</u></b>
Enrique Zobel	Forbes Park, Makati, Rizal	Filipino
Jaime Zobel de Ayala	-do-	Filipino
Miguel Ortigas	-do-	Filipino
Salvador J. Lorayes	107 Pasadena, Pasay City	Filipino
Javier J. Nepomuceno	Forbes Park, Makati, Rizal	Filipino

**SIXTH.** - That the number of directors of said corporation shall be seven (7) and the names and residences of said directors who are to serve until their successors are elected and qualified as provided for in the by-laws are as follows, to wit: (As amended on 15 December 1990 by the Board of Directors and by the written assent of at least 2/3 of the stockholders submitted on or before 15 January 1990)

<b><u>Names</u></b>	<b><u>Residences</u></b>
Mercedes Z. McMicking	Espalter 10, Madrid 9, Spain
Fernando Zobel de Ayala	Fortuny 14, Madrid 4, Spain
Enrique Zobel	Forbes Park, Makati, Rizal
Jaime Zobel de Ayala	Forbes Park, Makati, Rizal
Alfonso Zobel de Ayala, Jr.	Maria de Molina 12, Madrid 6, Spain

**SEVENTH** – That the authorized capital stock of said Corporation is TWENTY SIX BILLION PESOS (₱26,000,000,000.00), Philippine Currency, consisting of Three Hundred Eighty Million (380,000,000) Common Shares with a par value of ₱50.00 per share, and Seven Billion (7,000,000,000) Preferred Shares, with a par value of ₱1.00 per share. (As amended on 07 April 2005)

The Preferred Shares shall be further divided into Four Billion (4,000,000,000) Preferred “A” shares, One Billion (1,000,000,000) Preferred “AA” shares and Two Billion (2,000,000,000) Preferred “B” shares. (As amended by the Stockholders on April 19, 2002)

### Common Shares

#### Ownership Restrictions

The Common Shares may be owned or subscribed by or transferred to any person, partnership, association or corporation regardless of nationality, provided that at anytime at least 60% of the outstanding capital stock shall be owned by citizens of the Philippines or by partnerships, associations or corporation 60% of the voting stock or voting power of which is owned and controlled by citizens of the Philippines.

### **Pre-emptive Rights**

Any and all issues of the Corporation’s common stocks, except as otherwise specified in this Article Seventh and issues covered by the Corporation’s Stock Option Plans for its employees and officers, shall be subject to the stockholders’ preemptive rights in accordance with law.

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**Preferred Shares**

The Preferred “A” Shares shall have the following features, rights and privileges:

- a) Issue value to be determined by the Board of Directors at the time of the issuance of the shares;
- b) Dividend rate to be determined by the Board of Directors at the time of the issuance of the shares;
- c) Cumulative in payment of current dividends as well as any unpaid back dividends on the shares;
- d) Non-convertible into common shares;
- e) Preference over holders of common stock in the distribution of corporate assets in the event of dissolution and liquidation of the Corporation and in the payment of the dividend at the rate specified at the time of issuance;
- f) Non-participating in any other or further dividends beyond that specifically payable on the shares;
- g) Non-voting except in those cases specifically provided by law;
- h) No pre-emptive rights to any issue of shares, Common or Preferred, and
- i) Redeemable by the Corporation at issue value on redemption date or at such time and under such terms that the Board of Directors may approve at the time of the issuance of the shares, in any case subject to the payment of all accrued and unpaid dividends due on the shares. (As amended by the Stockholders on April 19, 2002)

The Preferred “AA” shares shall have the following features, rights and privileges:

- a) Dividend rate to be determined by the Board of Directors upon issuance of the shares;
- b) Cumulative in payment of current as well as any accrued and unpaid dividends on the shares;
- c) Non-convertible into common shares;
- d) Preference over holders of common stock in the distribution of corporate assets in the event of dissolution and liquidation of the Corporation and in the payment of the dividend at the rate fixed by the Board of Directors;

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- e) Non-participating in any other or further dividends beyond that specifically payable on the shares;
  - f) Non-voting except in those cases specifically provided by law;
  - g) No pre-emptive rights to any issue of shares, Common or Preferred;
  - h) Redeemable any time by the Corporation starting at the end of the 5<sup>th</sup> year of Issue at a price to be determined by the Board of Directors at the time of Issue.

The Preferred "B" shares shall have the following features, rights and privileges:

- a) Fixed dividend rate to be determined upon issuance by the Board of Directors computed on the outstanding par value of the shares;
- b) Cumulative in payment of current dividends as well as any accrued and unpaid dividends on the shares;
- c) Convertible into Ayala Corporation Common shares at any time, six (6) months after Issue Date, at a premium to be determined and fixed by the Board of Directors;
- d) Preference over holders of common stock in the distribution of corporate assets in the event of dissolution and liquidation of the Corporation and in the payment of the dividend under paragraph (a) above;
- e) Non-participating in any other or further dividends beyond that specifically payable on the shares;
- f) Non-voting except in those cases specifically provided by law;
- g) No preemptive rights to any issue of shares, Common or Preferred, and
- h) Redeemable on Redemption Date (fifth year from Issue Date) by the Corporation for any shares whose conversion option has not been exercised, by paying an amount equal to the aggregate par value of the shares, plus all accrued and unpaid dividends.

The Preferred Shares may be re-issued when fully redeemed. (As amended by the Stockholders on April 19, 2002)

**EIGHT.** - That the amount of said capital stock which has been actually subscribed is NINETEEN MILLION NINE HUNDRED EIGHTY THOUSAND AND FIVE HUNDRED SEVENTY PESOS (P19,980,570.00), Philippine Currency, and the following persons have subscribed for the number of shares and amount of capital stock set out after their respective names:

<b><u>Names</u></b>	<b><u>No. of Shares</u></b>	<b><u>Amount Subscribed</u></b>
J.R. McMicking	409	P 4,090.00
Mercedes Z. McMicking	810,873	8,108,730.00
Consuelo Z. Alger	173,405	1,734,050.00
Gloria Z. de Padilla	173,405	1,734,050.00
Fernando Zobel de Ayala	173,407	1,734,070.00
Enrique Zobel	208,953	2,089,530.00
Jaime Zobel de Ayala	165,855	1,658,550.00
Ma. Victoria Z. de Vallejo- Nagera	145,874	1,458,740.00
Alfonso Zobel de Ayala, Jr.	<u>145,876</u>	<u>1,458,760.00</u>
T o t a l	1,998,057 =====	P 19,980,570.00 =====

**NINTH.** - That the following persons have paid for the shares of the capital stock for which they have subscribed, the amounts set out after their respective names:

<b><u>Names</u></b>	<b><u>Amount Paid</u></b>
J.R. McMicking	P 4,090.00
Mercedes Z. McMicking	8,108,730.00
Consuelo Z. Alger	1,734,050.00
Gloria Z. de Padilla	1,734,050.00
Fernando Zobel de Ayala	1,734,070.00
Enrique Zobel	2,089,530.00
Jaime Zobel de Ayala	1,658,650.00
Ma. Victoria Z. de Vallejo-Nagera	1,458,740.00
Alfonso Zobel de Ayala, Jr.	1,458,760.00
T o t a l	----- P 19,980,570.00 =====

**TENTH.** - That Mr. Javier J. Nepomuceno has been elected by the subscribers as Treasurer of the Corporation, to act as such until his successor has been duly elected and qualified in accordance with the by-laws, and that as such Treasurer, he has been authorized to receive for the Corporation all the subscriptions paid in by the subscribers to receipt in its name for the same.

**ELEVENTH.** - That no transfer of stock which will reduce the ownership of Filipino citizens to less than the required percentage of the capital stock shall be allowed or permitted to be recorded in the proper books, and this restriction shall be indicated in all its stock certificates.

IN WITNESS WHEREOF, we signed this instrument of incorporation at Makati, Rizal, Philippines, this December 31, 1967.

(s/t) ENRIQUE ZOBEL

(s/t) JAIME ZOBEL DE AYALA

(s/t) MIGUEL ORTIGAS

(s/t) SALVADOR J. LORAYEZ

(s/t) JAVIER J. NEPOMUCENO

Signed in the Presence of:

(Sgd) F.V. CACHUELA

(Sgd) OSCAR T. LLAMAS

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES )  
MUNICIPALITY OF MAKATI ) SS.  
PROVINCE OF RIZAL )

At Makati, Rizal, Philippines, this December 31, 1967, personally came and appeared before me:

Mr. Enrique Zobel, with Residence Certificate Nos. A-6331601 and B-743387, both issued at Makati, Rizal on January 11 and February 28, 1967, respectively;

Mr. Jaime Zobel de Ayala, with Residence Certificate Nos. A-6331604 and B-743388, both issued at Makati, Rizal on January 11 and February 28, 1967, respectively;

Mr. Miguel Ortigas, with Residence Certificates Nos. A-6331737 and B-743386, both issued at Makati, Rizal on January 11 and April 14, 1967, respectively;



Mr. Salvador J. Lorayes, with Residence Certificates No. A-6331608 and B-743376, both issued at Makati, Rizal on January 11 and February 28, 1967, respectively;

Mr. Javier J. Nepomuceno, with Residence Certificates No. A-6331725 and B-743382, both issued at Makati, Rizal, on January 11 and February 28, 1967, respectively

to me known and known to me to be the same persons who executed the foregoing Articles of Incorporation of the Ayala Corporation, and they all acknowledged to me that the same is their free and voluntary act and deed.

IN WITNESS WHEREOF, I hereunto set my hand and affix my notarial seal on the date and at the place above-written.

(s/t) SILVERIO F. AQUINO  
Notary Public  
Until December 31, 1967

Doc. No. 522;  
Page No. 106;  
Book No. II;  
Series of 1967.