

 **LOGISTICS HOLDINGS CORP.**

November 11, 2020

SECURITIES AND EXCHANGE COMMISSION

PICC Complex, Roxas Boulevard, Pasay City

Attention: Hon. Vicente Graciano P. Felizmenio, Jr.
Director, Markets & Securities Regulation Department

PHILIPPINE STOCK EXCHANGE, INC.

6/F PSE Tower
5th Avenue corner 28th Street
Bonifacio Global City, Taguig City

Attention: Ms. Janet A. Encarnacion
Head, Disclosure Department

Gentlemen:

Please be informed that our Board of Directors, at its regular meeting held today, ratified and approved the amendment of our By-Laws, Corporate Governance Manual (CG Manual), Board Charter and Corporate Governance and Nomination Committee Charter, as endorsed by our Corporate Governance and Nomination Committee.

The amendments to the By-Laws are intended to align with the provisions of the Revised Corporation Code and to adhere to recognized good corporate governance practices. The attached Annex "A" provides a summary of the approved substantial changes.

Given that our stockholders have delegated to our Board of Directors the authority to amend the By-Laws, the amendments to the By-Laws will become effective upon approval by the Securities and Exchange Commission. This matter will be presented to our stockholders at their annual meeting in 2021 as part of the resolutions of our Board for ratification.

The amendments to the CG Manual, Board Charter and Corporate Governance and Nomination Committee Charter are intended to align with the amendments to our By-Laws and provisions of the Code of Corporate Governance for Publicly-listed Companies.

Likewise, our Board appointed Ms. Francis M. Montojo as our Chief Risk Officer effective immediately, as endorsed by our Corporate Governance and Nomination Committee.

Thank you.

Very truly yours,


JUNE VEE D. MONTECLARO-NAVARRO
Corporate Secretary

Annex "A"

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Amendments to the By-Laws

Article and Section Nos.	From	To
Art. I, Sec. 1	Certificates of stock shall be issued to each holder for fully paid stock subscription in numerical order from the stock certificate book, and shall be signed by the Chairman or President or a Vice President and by the Secretary or Assistant Secretary and sealed with the corporate seal; provided however, that where such certificate is signed by a transfer agent and/or by a registrar, the signatures of any such Chairman, President, Vice President, Secretary or Assistant Secretary and the seal of the corporation upon such certificates may be facsimiles, printed or engraved; x x x	The certificates of stock shall be issued to each holder for fully paid stock subscription in numerical order from the stock certificate book, and shall be signed by the President or a Vice President and by the Secretary or Assistant Secretary and sealed with the corporate seal; provided however, that where such certificate is signed by a transfer agent and/or by a registrar, the signatures of any such President, Vice President, Secretary or Assistant Secretary and the seal of the Corporation upon such certificates may be <u>e-signatures or facsimiles</u> , printed or engraved; x x x
Art. II, Sec. 1	The Annual Meetings of the stockholders of this company shall be held in the city where the principal office of the company is located on the 2 nd Friday of April of each year or if said be a holiday, on the first working day thereafter.	The annual meetings of the stockholders shall be held in the city where the principal office of the Corporation is located <u>or at any place in the city where the principal office of the Corporation is located on any business day of April of each year as may be fixed by the Board of Directors.</u>
Art. II, Sec. 2	Special Meetings of the stockholders may be called at the place where the principal office of the company is located, at any time by resolution of the Board of Directors or by order of the Chairman or of the President, and must be called upon the written request of stockholders registering as the owners of a majority of the total outstanding stock.	The special meetings of the stockholders <u>shall be held at the same place as the annual meetings as hereinabove provided</u> and may be called at any time by resolution of the Board of Directors or by order of the Chairman or of the President, or upon the written request of stockholders registering as the owners of <u>at least one-third (1/3) of the subscribed and outstanding capital stock, setting forth the purpose of such meeting in the notice.</u>
Art. II, Sec. 3	Notice of Meetings written or printed for every regular or special meeting of the stockholders shall be prepared and mailed to the registered post office address of each stockholder not less than seven (7) days prior to the date set for such meeting, and if for special meeting, such notice shall state the object of objects of the same. No failure or irregularity of notice of any regular meeting shall invalidate such meeting or any proceeding thereat, and no failure or irregularity of notice of any special meeting at which all the stockholders are present and voting without protest shall invalidate such meeting or any	The notice of meetings written for every regular or special meeting of the stockholders shall be <u>sent to all stockholders by electronic transmission or personal delivery as provided below, or by such other manner as allowed by the Securities and Exchange Commission, addressed to the physical or electronic address of the stockholder registered in the books of the Corporation. For annual meetings, the notice shall be sent at least twenty-one (21) days prior to the date set for such meeting, while for special meetings, the notice shall be sent at least seven (7) days</u>

proceedings thereat. No publication of notice of meeting to the public newspaper shall be required.

before the scheduled date of meeting. The notice shall be deemed to have been sent at the time when it has been electronically transmitted through any of the means mentioned herein, or when delivered personally or deposited in the post office or sent in such other manner allowed by the Securities and Exchange Commission and addressed as herein provided.

Notice of the meeting shall state, in addition to the date, time and place of meeting, a statement of the matters to be transacted at the meeting and no business other than that specified in the notice shall be transacted at such meeting. Any director or stockholder may propose any other matter for inclusion in the agenda at any regular or special meeting, subject to reasonable guidelines as may be approved by the Board of Directors. The notice of the stockholders' meeting shall also set the date, time and place of the validation of proxies. The notice shall also contain the procedures to be followed when a stockholder elects to vote through remote communication or *in absentia*. No failure or irregularity of notice of any meeting shall invalidate such meeting or any proceeding thereat.

The Corporation shall also provide information or documents to all stockholders by electronic transmission. The information or documents shall be deemed delivered upon the transfer or posting by electronic means.

As used herein, electronic transmission means the delivery or transfer of documents, data or information by electronic mail to the electronic address of the stockholders registered in the books of the Corporation, posting in the Philippine Stock Exchange, posting in the Corporation's website (in the subsections for stockholders' meetings or disclosures of the Governance section), or such other recognized means of electronic transfer of data or information.

The Corporation shall require all stockholders to provide a valid electronic address for them to receive notices and other information or documents from the Corporation.

		<p><u>Stockholders preferring to receive physical copies of the notice, information or documents shall make a written request to the Corporation. Upon receipt of the request, the Corporation shall send the notice, information and documents by personal service or by mail.</u></p> <p><u>Notice to any meeting may be waived, expressly or impliedly, including through a stockholder's attendance at a meeting unless the stockholder's presence is for the express purpose of objecting to the meeting on the ground that it is not lawfully convened.</u></p>
Art. II, Sec. 4	A quorum at any meeting shall consist of a majority of the voting stock of the company represented in person or by proxy, and a majority of such quorum shall decide any question that may come before the meeting, save and except in those several matters in which the laws of the Philippines require the affirmative vote of a greater proportion.	<u>A quorum at any meeting of the stockholders shall consist of a majority of the outstanding capital stock of the Corporation represented in person or by proxy. Stockholders casting votes through remote communication or <i>in absentia</i>, electronically or otherwise, shall be deemed present for purposes of determining the existence of a quorum. A majority of such quorum shall decide any question that may come before the meeting, save and except in those several matters in which the laws of the Philippines require the affirmative vote of a greater proportion.</u>
Art. II, Sec. 5	-	<u>Conduct of Meeting - The Corporation may opt to hold fully virtual stockholders' meetings, subject to applicable laws, rules and regulations of the Securities and Exchange Commission, as may be amended from time to time. The virtual meetings shall be conducted in such a way that the stockholder experience will be, to every extent possible, similar to a physical meeting. However, if stockholders holding at least ten percent (10%) of the outstanding capital stock ask for a physical meeting, the Corporation shall conduct a physical meeting unless prevented by existing rules and regulations. The request shall be made within two (2) weeks from the announcement of the holding of a virtual meeting, which shall be made ahead of the sending out of the Notice of Meeting.</u>
Art. II, Sec. 7	The Board of Directors shall have the authority to fix the record date for stockholders entitled to vote at any regular or special stockholders' meetings, which must not be more than forty-five	The Board of Directors shall fix the record date for stockholders entitled to <u>notice of and</u> vote at any regular or special stockholders' meetings or any adjournment thereof, or

	(45) days before the stockholders meeting concerned.	<u>those entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, provided that the stock and transfer book shall be closed at least twenty (20) days for regular meetings and seven (7) days for special meetings, before the scheduled date of the meeting.</u>
Art. II, Sec. 8	-	<p><u>Voting - A stockholder entitled to vote may vote in person, through remote communication, or <i>in absentia</i>, electronically or otherwise or may be represented by proxy at any regular or special meeting, subject to compliance with the rules and regulations as may be issued by the Securities and Exchange Commission from time to time; and provided, that the shares have not been declared delinquent. Stockholders casting votes through remote communication or <i>in absentia</i>, electronically or otherwise, shall be deemed present for purposes of determining the existence of a quorum.</u></p> <p><u>The election of directors shall be by ballot and each stockholder may vote such number of share for as many persons as are directors to be elected, or he may give to one candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many candidates as he may see fit, provided that the whole number of votes cast by him shall not exceed the number of shares owned by him multiplied by the whole number of directors to be elected.</u></p>
Art. III, Sec. 3	-	<u>Qualifications of Directors - No person shall be elected as director unless he holds at least one (1) share of stock in the books of the Corporation. No person shall qualify or be eligible for nomination or election to the Board of Directors if he is in possession of any of the grounds for disqualification provided in applicable laws and the rules and regulations of the Securities and Exchange Commission, as may be amended from time to time, or if he is engaged in any business which competes with or antagonistic to that of the Corporation. Without limiting the</u>

		<p><u>generality of the foregoing, a person shall be deemed so engaged:</u></p> <p>(a) <u>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 which the Board, by at least three-fourths (3/4) vote, determines to be competitive or antagonistic to that of the Corporation;</u> or</p> <p>(b) <u>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, when in the judgment of the Board, by at least three-fourths (3/4) vote, the laws against combinations in restraint of trade shall be violated by such person's membership in the Board of Directors;</u> or</p> <p>(c) <u>If the Board, in the exercise of its judgment in good faith, determines by at least three-fourths (3/4) vote that he is the nominee of any person set forth in (a) or (b) above.</u></p> <p><u>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 relations.</u></p> <p><u>All nominations for directors, together with the written consent of the nominees, shall be submitted to the Corporate Governance and Nomination Committee through the Office of the Corporate Secretary at least thirty (30) business days prior to the date set for the annual meeting wherein they will be elected.</u></p>
Art. III, Sec. 4	<p>Regular meetings of the Board of Directors shall be held as follows:</p> <p>(a) Immediately after the annual meeting of the</p>	<p>Regular meetings of the Board of Directors shall be held as follows:</p> <p>(a) Immediately after the annual meeting of</p>

	<p>stockholders of the company, without notice at the place where the annual stockholders' meeting was held;</p> <p>(b) Further regular meetings of the Board of Directors may, by resolution, be held, without notice, at such times as the Board may prescribe and at such place as a majority of Directors may designate.</p>	<p>the stockholders of the Corporation, <u>for the purpose of organization, election of officers and transaction of such other business;</u></p> <p>(b) Further regular meetings, the Board of Directors shall designate the days when it shall meet in session, but it shall meet at <u>least six (6) times each calendar year.</u></p> <p><u>Meetings of the Board may be conducted and participation of directors, including voting, at board meetings, can be in person, through remote communication, such as videoconferencing, teleconferencing or other alternative modes of communications allowed by the Securities and Exchange Commission. Participation and voting in Board meetings cannot be done by proxy.</u></p>
Art. III, Sec. 6	<p>Notice of Special Meetings shall be given by the Secretary by telephone call, fax, telegram, personal delivery, or mail to each member of the Board not less than one (1) day before the objects and purposes thereof. No publication of the notice of any meeting in the public newspapers shall be required.</p>	<p><u>Notice of Meetings</u> – Notice of meetings of the Board shall be given by the Secretary by telephone call, fax, telegram, personal delivery, <u>postal or electronic mail</u> to each member of the Board <u>at least five (5) working days before the date of a regular or special meeting.</u> The directors may waive this notice requirement.</p>
Art. III, Sec. 7	<p>A quorum at any meeting of the Directors shall consist of a majority of the entire membership of the Board. A majority of such quorum shall decide any question that may come before the meeting, save and except any such matters in which the laws of the Philippines may require the affirmative vote of a greater proportion of the members.</p>	<p>A quorum at any meeting of the directors shall consist of <u>two- thirds (2/3) of the entire membership of the Board for the transaction of corporate business.</u> A majority of such quorum is <u>required to decide any matter or question that may come before the meeting,</u> save and except any such matters in which the laws of the Philippines may require the affirmative vote of a greater proportion of the <u>directors and the election of officers, which shall require the affirmative vote of majority of all directors.</u></p>
Art. III, Sec. 10	-	<p><u>Vacancies - When the vacancy is due to expiration of term, it shall be filled no later than the day of such expiration at the annual stockholders' meeting. For any vacancy arising from removal by the stockholders, the election shall be held on the same meeting if so stated in the agenda and notice of meeting. In all other cases, the vacancy may be filled by at least a majority vote of the remaining directors, if still constituting a quorum; otherwise, the vacancy shall be filled in a special stockholders' meeting called for</u></p>

		<p><u>that purpose, in any instance no later than forty-five (45) days from the time the vacancy occurred. The director so elected shall be referred to as replacement director and act as a member of the said Board only for the unexpired term of his predecessor.</u></p> <p><u>However, when the remaining directors cannot constitute a quorum and emergency action is required to prevent grave, substantial or irreparable loss or damage to the Corporation, the vacancy may be temporarily filled from among the officers of the Corporation by the unanimous vote of the remaining directors. The designated director's actions shall be limited to any necessary emergency action and his term shall cease within a reasonable time from the termination of the emergency or upon election of the replacement director, whichever comes first.</u></p>
<p>Art. III, Sec. 11</p>	<p>Each director shall receive, for his services as such director such amount as may be fixed by the stockholders for each regular or special meeting of the Board actually attended by him; provided, that nothing herein contained shall be construed to preclude any director from serving the company in any other capacity and receiving such compensation therefore as may be fixed from time to time by the Board of Directors.</p>	<p><u>Directors shall be entitled to receive from the Corporation, pursuant to a resolution of the Board of Directors, fees and other compensation for their services. In no case shall the total yearly compensation of Directors exceed ten percent (10%) of the net income before income tax of the Corporation during the preceding year.</u></p> <p><u>The Personnel and Compensation Committee of the Board of Directors shall have the responsibility of recommending to the Board of Directors the fees and other compensation for directors. In discharging this duty, the committee shall be guided by the objective of ensuring that the level of compensation should fairly pay directors for work required in a company of the Corporation's size and scope. No director shall be involved in deciding his own remuneration during his incumbent term.</u></p>
<p>Art. III, Sec. 12</p>	<p>-</p>	<p><u>Related Party Transactions of Directors – Directors with interest, potential or otherwise, in any related party transaction shall timely and fully disclose any and all material facts and abstain from deliberations on and approval of the same without prejudice to compliance with the requirements of the law and the rules and regulations of the Securities and Exchange Commission, as</u></p>

		<u>may be amended from time to time. Material related party contracts, as defined in applicable laws, rules and regulations of the Securities and Exchange Commission, shall be approved by at least two-thirds (2/3) of all the directors, including at least a majority of the independent directors.</u>
Art. IV, Sec. 10	-	<u>Compliance Officer - The Compliance Officer shall ensure compliance by the Corporation, its directors and officers with applicable laws, rules and regulations, and governance issuances of regulatory agencies, ensure attendance of directors and officers in relevant annual trainings, identification and appropriate resolution of any compliance issues, and the integrity and accuracy of all documentary submissions to regulators, and perform all other duties which may be assigned to him by the Board of Directors.</u>
Art. V, Sec. 2	-	x x x <u>Cash dividend payouts shall be done through electronic means such as direct bank transfer and the like, as may be decided by the Board of Directors. The Corporation shall request stockholders to provide account details or other reference number/s needed for the transfer. Stockholders who fail to provide account details or other reference number/s shall receive their dividend payout by check, which will be available for pick-up at a designated office as announced in the Corporation's website and in regulatory disclosures.</u>
Art. V, Sec. 3	Auditors shall be designated by the Board of Directors prior to the close of business in each fiscal year, who shall audit and examine the books of account of the company and shall certify to the Board of Directors and the shareholders the annual balances of said books which shall be prepared at the close of the said year under the direction of the Treasurer. No director or officer of the company, and no firm or corporation of which such officer or director is a member, shall be eligible to discharge the duties of the Auditor. The compensation of the Auditors shall be fixed by the Board of Directors.	<u>The stockholders, at their annual general meeting, shall appoint the auditors and fix their fees. The auditors shall audit and examine the books of account of the Corporation and shall certify to the Board of Directors and the shareholders the annual balances of said books which shall be prepared at the close of the said year under the direction of the Treasurer. No director or officer of the Corporation, and no firm or corporation of which such officer or director is a member, shall be eligible to discharge the duties of the auditor.</u>

ARTICLE VI

ARBITRATION

Any dispute, controversy or claim between the Corporation and its stockholders arising from, relating to, or in connection with the implementation of the articles of incorporation or by-laws, or from intra-corporate relations, except those involving criminal offenses and interests of third parties, may be referred to and resolved by arbitration in accordance with prevailing Philippine Dispute Resolution Center, Inc. (PDRCI) Arbitration Rules and Securities and Exchange Commission Rules and Regulations.

The number of arbitrators shall be three (3) appointed by the PDRCI and the place of arbitration shall be in Metro Manila, Philippines. The language to be used for the arbitral proceedings shall be English.

The parties shall be bound by the award rendered by the Arbitral Tribunal and confirmed by the appropriate Regional Trial Court. Arbitration shall not be available for disputes involving claims in excess of One Million Pesos (Php1,000,000.00) or involving the determination of the fair valuation of shares in appraisal proceedings.