



REPUBLIC OF THE PHILIPPINES  
**SECURITIES AND EXCHANGE COMMISSION**  
SEC Building, EDSA, Greenhills  
City Of Mandaluyong, Metro Manila

COMPANY REG. NO. CS201300728

**CERTIFICATE OF FILING  
OF  
AMENDED BY-LAWS**

KNOW ALL PERSONS BY THESE PRESENTS:

This is to certify that the Amended By-Laws of

**FIRST METRO PHILIPPINE EQUITY EXCHANGE  
TRADED FUND, INC.**

copy annexed, adopted on April 16, 2013 by a majority vote of the Board of Directors and by the vote of the stockholders owning or representing at least two-thirds of the outstanding capital stock, and certified under oath by the Corporate Secretary and majority of the said Board was approved by the Commission on this date pursuant to the provisions of Section 48 of the Corporation Code of the Philippines Batas Pambansa Blg. 68, approved on May 1, 1980, and copies thereof are filed with the Commission.

IN WITNESS WHEREOF, I have set my hand and caused the seal of this Commission to be affixed to this Certificate at Mandaluyong City, Metro Manila, Philippines, this 29<sup>th</sup> day of August, Twenty Thirteen.



  
FERDINAND B. SALES  
Acting Director

Company Registration and Monitoring Department



## AMENDED BY-LAWS

### OF

#### First Metro Philippine Equity Exchange Traded Fund, Inc.

### ARTICLE I

#### Offices

Section 1. Principal Office. The principal office of First Metro Philippine Equity Exchange Traded Fund Inc., hereinafter referred or called the Corporation, shall be located at the 18/Floor, PS Bank Center, Paseo de Roxas, corner Sedeno St., Makati City, Philippines, or at such place therein as the Board of Directors may fix.

Section 2. Other Offices. The Corporation may also have a branch office or offices at such place or places within or without the Republic of the Philippines as the Board of Directors may from time to time determine or the business of the Corporation may require.

### ARTICLE II

#### Shares of Stocks and Their Transfer

Section 1. Certificate of Stock. The Certificate of Stock of the Corporation shall be issued in consecutive order and shall be in such form as shall be approved by the Board of Directors. The certificates of stock shall be signed by the President or any Vice-President and countersigned by the Secretary or an Assistant Secretary of the Corporation and sealed with its corporate seal. Whenever any such certificate is signed by a transfer agent or by a registrar, the signatures of any such officers as well as the corporate seal may be by facsimile, engraved or printed.

The necessary document stamps for each certificate of stock shall be borne by the stockholder in whose favor the certificate is issued or transferred.

Section 2. Transfer of Stock. Transfer of shares of the capital stock of the Corporation shall be made on the books of the Corporation by the holder thereof, or by his duly authorized attorney-in-fact or legal representative, so as to show the names of the parties to the transaction, the date of the transfer, the number of the certificate and the number of shares transferred, and upon such transfer the old certificate, if any, shall be surrendered to the Corporation by the delivery thereof to the person in charge of the stock and transfer books and ledgers or to such other person as the Board of Directors may designate, by whom it shall be cancelled, and a new certificate shall thereupon be issued. The term "person" or "persons" wherever used herein shall be deemed to include any firm or firms, corporation or corporations, association or associations. Whenever any transfer of shares shall be made for collateral

security, and not absolutely, however, such fact, if known to the Secretary or to said transfer agent, shall be so expressed in the entry of the transfer.

Section 3. Addresses of the Stockholders. Each stockholder shall designate to the Secretary of the Corporation an address at which notices of meetings and all other corporate notices may be served upon or mailed to him, and if any stockholder shall fail to designate such address, corporate notices may be served upon him by mail directed to him at his last known post office address.

Section 4. Lost, Destroyed and Mutilated Certificates. The holder of any stock of the Corporation shall immediately notify the Corporation of any loss, destruction or mutilation of the certificate therefore, and the Board of Directors may cause to be issued to him a new certificate or certificate of stocks, upon the surrender of the mutilated certificate or, in case of loss or destruction of the certificate, upon satisfactory proof of such loss or destruction, and the Board of Directors may require the owner of the lost or destroyed certificate or his legal representative to give the Corporation a bond in such sum and with such surety or sureties, as it may direct, to indemnify the Corporation against any claim that may be made against it on account of the alleged loss or destruction of any such certificate. The requirement of Section 73 of the Corporation Code shall be complied with.

Section 5. Closing of Transfer Books. The board of Directors may, by resolution, direct that the stock transfer books of the Corporation be closed for a period not exceeding thirty (30) days preceding the date of any meeting of stockholders, or the date for the payment of any dividend, or the date for the allotment of rights, or the date when any change or conversion or exchange of capital stocks shall go into effect, as a record date for the determination of the stockholders entitled to notice of, and to vote at, any such meeting, or entitled to receive payment of any such dividend, or to any such allotment of rights, or to exercise the rights in respect of any change, conversion or exchange of the capital stock, and in each such case only such stockholders as shall be stockholders of record on the date so fixed shall be entitled to notice of, or to vote at, such meeting, or to receive payment of such dividend, or to receive such allotment of rights, or to exercise such rights, as the case may be, notwithstanding any transfer of any stock on the books of the Corporation after such record date as aforesaid.

Section 6. Bookkeeping Arrangements. The Corporation may establish procedures whereby it will not issue certificates of stock except upon specific request of a stockholder and whereby the Custodian referred to in Article VIII or the transfer agent of the Corporation shall, periodically or upon the occasion of any change in the holdings of any stockholder, issue to each stockholder or to the stockholders affected by such change a written statement of his holdings at the time such statement is issued. The Board of Directors may authorize the execution of any agreement, contract or other document necessary or desirable in order to carry out the intent of this provision of the By-laws.

Section 7. Registered Stockholder. The Corporation shall be entitled to recognize the exclusive right of a person registered in its books as the owner of shares to receive dividends, to vote at stockholders' meetings and otherwise to exercise other rights or privileges of stockholders, and the Corporation shall not be bound to recognize any equitable or other claim to or interest in such shares on the part of any person, whether or not it shall have express or other notice thereof, except as otherwise provided by law.

Section 8. Scripts for Fractional Shares. Whenever necessary or inevitable, the Board of Directors may arrange for the issuance of scrips representing fractional interest in shares of stock of the Corporation, which scrips may carry such rights to dividends and other rights (except voting rights) as the Board of Directors shall determine and as the applicable laws and regulations shall permit.

### ARTICLE III

#### Meeting of Stockholders

Section 1. Place of Meetings. All meetings of stockholders shall be held at the principal office of the Corporation, unless written notices of such meetings should fix another place therein.

Section 2. Annual Meetings. The annual meetings of the stockholders for the election of directors and for the transaction of such other business as may come before the meeting shall be held on 2<sup>nd</sup> Wednesday of May, if not a legal holiday and if a legal holiday, then on the next succeeding business day not a legal holiday. If the election of directors shall not be held on the day designated for any annual meeting or at any adjournment of such meeting, the Board of Directors shall cause the election to be held at a special meeting as soon thereafter as the same may conveniently be held. At such special meeting, the stockholders may elect the directors and transact other business as stated in the notice of the meeting with the same force and effect as at an annual meeting duly called and held. *(As amended by the majority of the Board of Directors and ratified by the Stockholders holding at least 2/3 of the outstanding capital stock, during its separate meetings both held on April 16, 2013)*

Section 3. Special Meetings. Special meetings of the stockholders may be called at any time by resolution of the Board of Directors or by order of the Chairman of the Board or the President or upon the written request of stockholders registered as owners of at least one-third (1/3) of the total outstanding stock having voting powers. Such request shall state the purpose or purposes of the proposed meeting.

Section 4. Notice of Meetings. Except as otherwise provided by law, written or printed notice of all annual and special meetings of stockholders, stating the place and time of the meeting and, if necessary, the general nature of the business to be considered, shall be transmitted by personal delivery, mail, telegraph, facsimile or cable to each stockholder of record entitled to vote thereat at his address last known to the Secretary of the Corporation, at least fifteen (15) days before the date of the meeting, if an annual meeting, or at least ten (10) days before the date of the meeting, if a special meeting. Except where expressly required by law, no publication of any notice of meeting of stockholders shall be required. If any

stockholder shall, in person or by attorney-in-fact thereunto authorized, in writing, or by telegraph, facsimile, cable, radio or wireless, waive notice of any meeting, whether before or after the holding of such meeting, notice thereof need not be given to him. Notice of any adjourned meeting of the stockholders shall not be required to be given, except when expressly required by law.

Section 5. Quorum. At each meeting of the stockholders, the holders of a majority of the issued and outstanding stock of the Corporation, having voting powers, who are present in person or represented by proxy, shall constitute a quorum for the transaction of business except where otherwise provided by law. In the absence of a quorum, the stockholders of the Corporation present in person or represented by proxy and entitled to vote, by majority vote, or, in the absence of all the stockholders, any officer entitled to preside or act as Secretary at such meeting, shall have the power to adjourn the meeting from time to time, until stockholders holding the requisite amount of stock shall be present or represented. At any such adjourned meeting at which a quorum may be present, any business may be transacted which might have been transacted at the meeting as originally called. The absence from any meeting of the number required by laws of the Republic of the Philippines or by these By-laws for action upon any given matter shall not prevent action at such meeting upon any other matter or matters which may properly come before the meeting, if the number of stockholders required in respect of such other matter or matters shall be present or represented at the meeting.

Section 6. Organization of Meeting. At every meeting of the stockholders, the Chairman of the Board, whenever there shall be one in office, or in the absence of the Chairman of the Board, the President, or, in the absence of the Chairman of the Board and the President, a Chairman chosen by the stockholders present in person or by proxy and entitled to vote thereat, by majority vote, shall act as Chairman. The Secretary, or in his absence, an Assistant Secretary, shall act as secretary at all meetings of the stockholders. In the absence from any such meeting of the Secretary and the Assistant Secretaries, the Chairman may appoint any person to act as secretary of the meeting.

Section 7. Voting. Unless otherwise provided by law, each stockholder shall at every meeting of the stockholders be entitled to one vote, in person or by proxy, for each share with voting right held by such stockholder. At all meetings of the stockholders, all elections and all questions, except in cases where other provision is made by statute or by these By-laws, shall be decided by the plurality vote of stockholders present in person or by proxy and entitled to vote thereat, a quorum being present. Unless required by law, or demanded by a stockholder present in person or by proxy at any meeting, and entitled to vote thereat, the vote on any question need not be by ballot. On a vote ballot, each ballot shall be signed by the stockholder voting, or in his name by his proxy if there be such proxy, and shall state the number of shares voted by him.

## ARTICLE IV

### Board of Directors

Section 1. General Powers. Unless otherwise provided by law, the powers business and property of the Corporation shall be exercised, conducted and controlled by the Board of Directors.

Without limiting the general powers hereinabove conferred, the Board of Directors shall have the following express powers:

- (a) From time to time, to make and change rules and regulations not inconsistent with these By-laws for the management of the Corporation's business and affairs;
- (b) To purchase or otherwise acquire for the Corporation rights or privileges which the Corporation is authorized to acquire, at such price and on such terms and conditions, and for such consideration as it shall, from time to time, see fit;
- (c) To pay for any property or rights acquired by the Corporation or to discharge obligations of the Corporation, either wholly or partly, in money or in stocks, bonds, debentures or other securities of the Corporation;
- (d) To borrow money for the Corporation, and, for such purpose, to create, make and issue mortgages, bonds, deeds of trust and negotiable instruments or securities, secured by mortgage or pledge of property belonging to the Corporation; provided, that, as hereinafter provided, the proper officers of the Corporation shall have these powers, unless expressly limited by the Board of Directors; and

To delegate, from time to time, any powers of the Board which may be lawfully delegated, in the course of the current business of the Corporation, to any standing or special committee of the Corporation to any officer or agent, and to appoint any person or persons to be an agent or agents of the Corporation with such powers and upon such terms as the Board may deem fit; and, in particular, the Board may create an Executive Committee, composed of not less than three (3) members of the Board, to be appointed by the Board. The Executive Committee shall be empowered to approve and/or implement corporate acts requiring Board action when the Board is not in session, except with respect to: (1) approval of any action for which shareholders' approval is also required; (ii) the filing of vacancies in the Board; (iii) the amendment or repeal of these By-laws or adoption of new By-laws; (iv) the amendment or repeal of any resolution of the Board which by its express terms is not so amenable or repealable; and (v) a distribution of cash dividends to the shareholders; provided, that the Executive Committee shall act by majority vote of all its members.

Section 2. Number, Qualification and Term of Office. The number of directors shall be as provided in the Articles of Incorporation. Each director shall own in his own right at least one share of the capital stock of the Corporation. The directors shall be elected annually in the manner provided in by these By-laws and each director shall hold office until the annual meeting held next after his election and until his successor shall have been elected and shall have qualified, or until his death or until he shall resign or shall be removed in the manner hereinafter provided. The directors named in the Articles of Incorporation of the Corporation and their successors in accordance with these By-laws shall hold office until the first annual meeting of the stockholders for the election of directors and until their successors shall have been elected and shall have qualified.

At least two (2) independent directors, who are neither regular directors, officers, substantial stockholders or relatives up to the fourth degree of consanguinity and affinity of directors, officers, or substantial stockholders of the Corporation shall be elected in accordance with the rules and regulations of the Securities and Exchange Commission on the nomination and election of independent directors.

An independent director must not have been employed in any executive capacity or retained as a professional adviser by the Corporation or any of its related companies, affiliates, and substantial stockholders within the last five years. Neither should he have engaged or is currently being engaged in any significant and material transaction with the corporation, its related companies, subsidiaries, affiliates or substantial stockholders, whether by himself, or with any other person or firm of which he is a partner or a company of which he is a director or substantial stockholder.

Section 3. Election of Directors. At each meeting of stockholders for the election of directors, at which a quorum is present, the persons receiving the highest number of votes of the stockholders present in person or by proxy and entitled to vote shall be the directors. In each of any increase in the number of directors, the additional directors may be elected by the stockholders at the first annual meeting held, or at a special meeting called for the purpose after such increase has been approved. The nomination and election of independent directors shall be made in accordance with the Securities Regulation Code Rule 38.

Section 4. Quorum and Manner of Acting. Except as otherwise provided by statute or by these By-laws, a majority of the directors, present either physically or electronically, shall constitute a quorum for the transaction of business at any meeting, and the act of a majority of the directors present at any meeting at which a quorum is present shall be the act of the Board of Directors; provided, that the member who opts to participate through a tele/video conference shall have been given notice of this option to the Secretary at least three days prior to the scheduled meeting. In the absence of a quorum, a majority of the directors present may adjourn any meeting from time to time until a quorum is held. Notice of any adjourned meeting need not be given.

Section 5. Place of Meeting. The Board of Directors may hold its meetings in the principal office or at such other places within or without the Republic of the Philippines as the

Board may from time to time determine or shall be specified or fixed in the respective notices or waivers of notice thereof.

Section 6. First Meeting. The Board of Directors shall meet for the purpose of organization, the election of officers and the transaction of other business, as soon as practicable after each annual election of directors and on the same day, at the same place at which regular meetings of the Board are held. Notice of such meeting need not be given. Such meeting may be held at any other time or place which shall be specified in a notice given as hereinafter provided for special meetings of the Board of Directors or in a consent and waiver of notice thereof signed by all the directors.

Section 7. Regular Meetings. Regular meetings of the Board of Directors shall be held at such places and at such times as the Board shall from time to time by resolution determine. If any day fixed for a regular meeting shall be a legal holiday at the place where the meeting is to be held, then the meeting which would otherwise be held on that day shall be held at the same hour on the next succeeding business day not a legal holiday. Notice of regular meetings need not be given.

Section 8. Special Meetings: Notices. Special meetings of the Board of Directors shall be held when called by the Chairman of the Board, whenever there shall be one in office, or by the President, or by the Secretary at the request of any three (3) of the directors. Notice of each such meeting shall be mailed to each director, addressed to him at his residence or usual place of business, at least five (5) days before the day on which the meeting is to be held, or shall be sent to him at such place by telegraph, cable, radio or wireless, or be delivered personally or by telephone, not later than the day before the day on which the meeting is to be held. Every such notice shall state the time and place of the meeting but need not state the purpose thereof except as otherwise in these By-laws expressly provided. Notice of any meeting of the Board need not be given to any director, however, if waived by him in writing or by telegraph, cable, radio, or wireless whether before or after such meeting is held or if he shall be present at the meetings and any meeting of the Board shall be a legal meeting without any notice thereof having been given to any director, if all of the directors shall be present thereat.

Section 9. Resignations. Any director of the Corporation may resign at any time by giving written notice to the Chairman of the Board, President or to the Secretary of the Corporation. The resignation of any director shall take effect at the time specified therein and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 10. Removal of Directors. Any director may be removed, either with or without cause, at any time, by the affirmative vote of the stockholders holding or representing two-thirds of the subscribed and outstanding capital stock entitled to vote at a regular meeting or at a special meeting of the stockholders called for the purpose and held after due notice. The vacancy in the Board caused by any such removal may be filled by the stockholders at such meeting.



Section 11. Vacancies. Any vacancy in the Board of Directors caused by death, resignation, disqualification, or any other cause, except by removal or expiration of term, may be filled by the majority vote of the remaining directors then in office, constituting a quorum, subject to Section 15 of Republic Act 2629, otherwise known as the Investment Company Act. Each director so elected shall hold office for a term to expire at the next annual election of directors, and until his successor shall be duly elected and qualified, or until his death or until he shall resign or shall have been removed in the manner herein provided.

Section 12. Compensation. Except for reasonable per diems, Directors, as such, shall receive such compensation as may be determined by the Board of Directors, subject to approval or confirmation by the stockholders and subject to Section 15 of the Investment Company Act. In no case shall the total yearly compensation of directors, as such, exceed ten percent (10%) of the net income before income tax of the Corporation during the year.

## ARTICLE V

### Committees and Advisory Board

Section 1. Committees. The Board of Directors may, by resolution or resolutions, designate one or more committees which, to the extent provided in the resolution or resolutions or in these By-laws, shall and may exercise any of the powers of the Board of Directors in the management of the business and affairs of the Corporation. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the Board of Directors. Each committee shall keep regular minutes of its proceedings and report the same to the Board when required. The Board of Directors shall have power to change the members of any such committee at any time, to fill vacancies and to discharge any such committee either with or without cause.

Section 2. Advisory Board. There may be an Advisory Board of any number of individuals appointed by the Board of Directors who may meet at stated times or on notice to all by any one of their own number or by the President of the Corporation. The Advisory Board will have no power to require the Corporation to take any specific action. Its purpose is solely to consider matters of general policy and to make recommendations along such lines to the Board of Directors. Each member of the Advisory Board shall receive such remuneration as the Board of Directors of the Corporation, from time to time, fix by resolution.

## ARTICLE VI

### Officers

Section 1. Number. The officers of the Corporation shall be a Chairman of the Board, a President, one or more Vice-Presidents, a Secretary and a Treasurer and such other officers as may from time to time be elected or appointed by the Board of Directors. One person may hold any two compatible offices.

Section 2. Election, Term of Office and Qualification. The Chairman of the Board, President, one or more Vice-Presidents, a Treasurer and a Secretary shall be elected annually by the Board of Directors, each of whom shall hold office until his successor is elected and qualified in his stand, or until he shall have resigned or shall have been removed in the manner hereinafter provided. Such other officers as may from time to time be elected or appointed by the Board of Directors shall hold office for such period, have such authority and perform such duties as are provided in these By-laws or as the Board of Directors may determine. The Chairman of the Board and the President shall have chosen from among the Directors, and the Secretary shall be a resident and a citizen of the Philippines.

Section 3. Removal. Any officer may be removed, either with or without cause, by the vote of a majority of the whole Board of Directors.

Section 4. Resignation. Any officer may resign at any time by giving written notice to the Board of Directors, to the Chairman of the Board or to the President. Any such resignation shall take effect at the date of receipt of such notice or at any later time specified therein; and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 5. Vacancies and Delegations. A vacancy in any office because of death, resignation, removal, disqualification or any other cause may be filled for the unexpired portion of the term of the Board of Directors. In case of the temporary absence of any officer of the Corporation, or for any other reason that the Board of Directors may deem sufficient, the Board of Directors may delegate the powers and duties of such officer to any other officer or to any director for the time being; provided, that a majority of the Board concurs therein and such delegation is not covered by any express provisions of these By-laws.

Section 6. The Chairman of the Board. The Chairman of the Board shall be the chief executive officer of the Corporation, and if present, preside at all meetings of stockholders and of the Board of Directors. He shall perform such other duties as shall from time to time be assigned to him by the Board of Directors.

Section 7. The President. The President shall be the managing director of the Corporation and, subject to the control of the Board of Directors, shall have general and active care, supervision and direction of the business and affairs of the Corporation. He shall, if present, preside at all meetings of the stockholders and of the Board of Directors, whenever there shall be no Chairman of the Board in office, or in the event of death, absence or inability to act of the Chairman of the Board, he may assign with the Secretary or an Assistant Secretary any or all certificates of stock of the Corporation; may appoint and discharge, subject to the approval of the Directors, employees and agents of the Corporation and fix their compensation; shall see that the books, reports, statements, and certificates required by law are properly kept, made and filed according to law; and in general shall perform all duties incident to the Office of the President and such other duties as may from time to time be assigned to him by the Board of Directors or as prescribed by these By-laws.

Section 8. Executive Vice-President. In the absence or disability of the President, the Executive Vice-President who is also a director, shall have all the powers of the President, and shall perform all the duties of the President, and such other duties as may from time to time be assigned to him by the Board of Directors.

Section 9. Other Vice-Presidents. The other Vice-Presidents shall manage and head a unit and handle the marketing and administrative functions of a unit within the Corporation, and shall perform other duties as may from time to time be assigned to him by the Board of Directors, the President or the Executive Vice-President.

Section 10. The Secretary. The Secretary shall keep or cause to be kept in books provided for the purpose the minutes of the meetings of the stockholders and of the Board of Directors; shall give, or cause to be given, notice of all meetings of the stockholders and directors and all other notices required by law or by these By-laws; and in the case of his absence or refusal or neglect to do so, any such notice may be given by any person thereunto directed by the President, or by the directors or stockholders, upon whose request the meeting is called as provided in these By-laws; shall be custodian of the records and of the seal of the Corporation and see that the seal of the Corporation and see that the seal or a facsimile thereof is affixed to all documents the execution of which on behalf of the Corporation under its seal is duly authorized in accordance with the provisions of these By-laws, and shall attest the same; shall keep a register of the post office address of each stockholder, and make all proper changes in such register, retaining and filing his authority for all such entries, shall see that the books, reports, statements, certificates and all other documents and records required by law are properly kept and filed; may sign with the President or any Vice-President any or all certificates of stock of the Corporation; shall, unless otherwise determined by the directors, have charge of the original stock books, transfer books and stock ledgers and act as transfer agent in respect of the stock and securities of the Corporation; and in general, the Secretary shall perform all duties incident to the office of the Secretary, and such other duties as may, from time to time be assigned to him by the Board of Directors or by the President.

Section 11. Assistant Secretaries. The Secretary may delegate an Assistant Secretary to perform at his request or in his absence or disability all his duties and, an Assistant Secretary, when acting under such a delegation, shall have all the power of and be subject to all the restrictions upon the Secretary. The Assistant Secretaries shall perform such other duties as from time to time may be assigned to them by the Board of Directors, the President or the Secretary.

Section 12. Treasurer. The Treasurer may be the chief financial officer of the Corporation and shall have general charge of the finances of the Corporation. He shall render to the Board of Directors, whenever directed by the Board, an account of the financial condition of the Corporation, and as soon as practicable after the close of each fiscal year, he shall make and submit to the Board of Directors a like report for such fiscal year. He shall have charge and custody and be responsible for keeping the books of account of the Corporation.

Section 13. Compensation. The board of Directors shall fix the salaries and bonuses of all officers. The fact that any officer is a director shall not preclude him from receiving a salary or bonus, or from voting upon the resolution fixing the same.

## ARTICLE VII

### Contracts

Section 1. Management and Transfer Agency Contracts. (a) The Board of Directors may, at any time and from time to time, contract for management services and transfer agency services with such corporation or firm as the Board of Directors may deem desirable, on a manner not to contravene the applicable laws and regulations. Any management contract and/or transfer agency contract whereby, subject to the control of the Board of Directors of the Corporation, the investment portfolio of the Corporation shall be managed or supervised, and the issuance and transfer of securities recorded, respectively by the other parties to such contract, shall provide, among other things, that such management or transfer agency contract shall be automatically terminated in the event of the assignment by such other party of all its interest, rights or obligation.

Section 2. Participating Contract. The Board of Directors may, at any time and from time to time, contract with at least two broker-dealer corporations appointing them as direct participants in the issuance and redemption of the Corporation's securities in a manner not to contravene the applicable laws and regulations.

Section 3. Index Provider Agreement. The Board of Directors may, at any time, engage an independent index provider to design, construct and calculate the index that the Corporation plans to track, in a manner not to contravene applicable laws and regulations.

Section 4. Shareholder Approval or Ratification. The Board of Directors may, in its discretion, submit any contract for approval or ratification at any special meeting of the stockholders the notice of which shall state that it is called for the purpose, or in part for the purpose, of considering any such contract or act, or at any annual meeting of stockholders; and any contract or act that shall be approved or be ratified by the vote of the stockholders owning a majority of the outstanding stock with voting powers of the Corporation present in person or by proxy at such meeting shall be as valid and binding on the Corporation and upon all the stockholders as though it had been approved and ratified by every stockholder of the Corporation, unless the applicable laws or regulations shall provide otherwise or shall require the vote of a greater majority of the stockholders.



## ARTICLE VIII

### Custodian and Auditors

Section 1. Custodian. All securities owned by the Corporation shall be held by a Custodian who shall be a commercial bank of good repute or any other entity with the qualifications prescribed under Section 17 of the Exchange Traded Fund (ETF) Rules. The Custodian shall be appointed from time to time by the Board of Directors, which shall fix its remuneration and the terms under which it shall act and hold in custody such securities. Upon the resignation or inability to serve of any such Custodian, the Corporation shall (a) use its best to obtain a successor custodian, (b) require the securities of the Corporation held by the Custodian to be delivered to the successor custodian, and (c) in the event that no successor custodian can be found, submit to the stockholders of the Corporation, before permitting delivery of such securities to anyone other than a successor custodian, the question whether the Corporation shall function without a custodian; provided, however, that nothing herein contained shall prevent the termination at any time on not more than thirty (30) days' notice of any agreement between the Corporation and any such Custodian by the Board of Directors of the Corporation or by the affirmative vote of stockholders representing at least majority of the outstanding stock of the Corporation. Upon its resignation or inability to serve, the Custodian may deliver any assets of the Corporation held by it to a qualified bank or any other entity qualified under Section 17 of the Exchange Traded Fund (ETF) Rules selected by it, such assets to be held subject to the terms of custody which governed such retiring custodian, pending action by the Corporation as set forth in this section.

Section 2. Auxiliary Custodian. In the event that the Board of Directors shall deem it necessary or desirable that any of the securities of the Corporation be held outside of the Philippines to the extent permitted by applicable laws and regulations, or in cases where custody over the securities by the principal Custodian, may not be practicable, the Board of Directors may designate one or more auxiliary Custodians for such securities, subject to supervision by the principal Custodian.

Section 3. Auditors. The Auditors of the Corporation shall be designated in accordance with Section 29 of the Investment Company Act.

## **ARTICLE IX**

### **Investment Policy**

Section 1. Investment Objectives. The Corporation will be classified under the Investment Company Act as an open-end investment company. The investment objectives of the Corporation are set forth in the Statement of Investment Policy Objectives and Limitations filed with the Securities and Exchange Commission. The Corporation reserves freedom of action with respect to such matters as are specifically reserved in such Statement of Investment Policy Objectives and Limitations. Amendments thereto may be made pursuant to Section 12 and other applicable provisions of the Investment Company Act and Exchange Traded Fund Rules and Regulations.

Section 2. The Corporation imbibed the investment restrictions and practices prescribed by the Securities and Exchange Commission (SEC) and other amendments which it might impose from time to time.

## **ARTICLE X**

### **Determination of Net Asset Value Per Share**

Section 1. Net Asset Value Per Share. Investments owned by the Corporation are valued in terms of its net asset value per share (NAVPS). This is computed by dividing the value of the securities held by the Corporation plus any cash or other assets, less all the liabilities by the total number of shares outstanding, rounded to the nearest centavo.

The securities of the fund shall be classified and measured in accordance with the requirements of the Philippine Financial Reporting Standards, the details of which shall be disclosed in the Registration Statement filed pursuant to the Securities and Regulation Code.

The NAVPS is computed daily on each banking day and remains in effect until the next NAVPS is determined. A banking day is defined as a day when commercial banks in Metro Manila are open for business.

## **ARTICLE XI**

### **Redemption of Shares**

Section 1. Procedures on the Redemption of Shares. The procedure for the redemption of shares shall be subject to the provision of Section 11 and 13 and 26 of the Rules and Regulations on Exchange Traded Funds. The procedure shall also be disclosed in the Registration Statement.

## ARTICLE XII

### General Provisions

Section 1. Fiscal Year. The fiscal year of the Corporation shall commence with the opening of business on the first day of January of each calendar year and shall close on the 31st day of December of same year.

Section 2. Corporate Seal. The corporate seal of the Corporation, unless otherwise ordered by the Board of Directors, shall be circular in form and bearing the word “(First Metro Philippine Equity Exchange Traded Fund, Inc.)” The seal may be used by causing it or a facsimile thereof to be impressed or affixed or otherwise reproduced.

Section 3. Inspection of Corporate Records. The Board of Directors may from time to time reasonably determine to what extent and at what times and places and under what reasonable conditions and regulations the accounts and books of the Corporation, or any of them, shall be opened for inspection by stockholders.

Section 4. Report to Stockholders. The management of the Corporation shall make such report to stockholders as the Board of Directors shall direct or require from time to time, subject to the applicable requirements of the Investment Company Act and the regulations promulgated thereunder.

Section 5. Dividends. The Board of Directors shall by vote declare dividends and authorize the distribution of capital gain from any legally available therefore of the Corporation whenever in their opinion, the condition of the Corporation’s affairs will render it expedient of such dividends to be declared. The Board of Directors may take such arrangement with its stockholders as it may deem desirable whereby dividends or other distributions or any part thereof may be reinvested in new shares of stock of the Corporation instead of being paid in cash to the stockholders.

Section 6. Indemnity of Directors and Officers and Agents. Subject to applicable provisions of the Investment Company Act and the regulations promulgated thereunder, each present and future director, officer and agent (and his heirs, executors and administrators) shall be indemnified by the Corporation against reasonable costs and expenses incurred by him in connection with any action, suit or proceeding to which he may be made a party by reason of his being or having been a director, officer or agent of the Corporation except in relation to any actions, suits or proceedings in which he has been adjudged liable because of willful misfeasance bad faith, gross negligence or reckless disregard of the duties involved in the conduct of his office. In the absence of an adjudication which expressly imposes on the director, officer or agent liability to the Corporation or its stockholders for willful misfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of his office, or in the event of a settlement, each director, officer and agent (and his heirs, executors and administrators) shall be indemnified by the Corporation against payments made, including reasonable costs and expenses, provided that such indemnity shall be conditioned upon the

prior determination by a resolution of a majority of those members of the Board of Directors of the Corporation who are not involved in the action, suit or proceeding that the director or officer has no liability by reason of willful misfeasance, bad faith, gross negligence, disregard of the duties involved in the conduct of his office, and provided further that if a majority of the members of the Board of Directors of the Corporations involved in the action, suit or proceeding, such determination shall have been made by a written opinion of independent counsel. Amounts paid in settlement shall not exceed costs, fees and expenses which would have been reasonably incurred in the action suit or proceedings or had been litigated to conclusion. Such a determination by the Board of Directors, or by independent counsel, and the payments of amounts by the Corporation on the basis thereof shall not prevent a stockholder from challenging such indemnification by appropriate legal proceedings on the grounds that the person indemnified was liable to the Corporation or its security holders by reason of willful misfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of his office. The foregoing rights of indemnification shall inure to benefit of the heirs, executors and administrators of any such officer, director or agent, provided, however, that nothing herein nor any provision of the Articles of Incorporation or By-Laws of the Corporation shall be deemed to protect or indemnify any officer, director or agent of the Corporation against any liability to the Corporation or to security holders to which he would otherwise be subject by reason of willful misfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of his office.

Section 7. Amendments. The Shareholders, by the affirmative vote of the majority of the outstanding capital stock and by board of director by a majority vote thereof, may at any regular or upon notice at any special meeting, alter, amend or repeal this By-Laws or parts thereof or adopt a new set of By-Laws. Likewise, the power to amend or repeal this By-Laws, may be delegated to the Board of Directors by the owners of two-thirds of the outstanding capital stock in the manner provided in the Corporation Code of the Philippines.

IN WITNESS WHEREOF, these By-Laws have been approved and signed by the shareholders of the Corporation on this 7<sup>th</sup> day of December 2012 at Makati City, Metro Manila, Philippines.

Hector R. Villanueva

TIN: [REDACTED]

Amb. Romualdo A. Ong

TIN: [REDACTED]

Mr. Nilo L. Pacheco, Jr.

TIN [REDACTED]

Mr. Augusto M. Cosio

TIN: [REDACTED]

Dr. Bernardo M. Villegas

TIN: [REDACTED]



**SIGNED IN THE PRESENCE OF:**

**A C K N O W L E D G E M E N T**

REPUBLIC OF THE PHILIPPINES )  
MAKATI CITY, METRO MANILA ) S.S.

BEFORE ME, a Notary Public for and in Makati City, Metro Manila on this 7<sup>th</sup> day of December 2012, personally appeared the following persons with their respective Community Tax Certificates:

Name	CTC No./Drivers Lic.	Date /Place of Issuance
Hector R. Villanueva		LTO, Quezon City
Amb. Romualdo A. Ong		May 22, 2011/ DFA, Manila
Mr. Nilo L. Pacheco, Jr.		August 4, 2011/DFA, Manila
Mr. Augusto M. Cosio		May 24, 2012/LTO, Quezon City
Dr. Bernardo M. Villegas		March 12, 2012/Makati City

All known to me and to me known to be the same persons who executed the foregoing By-laws and acknowledged to me that the same is their free and voluntary act and deed.

IN TESTIMONY WHEREOF, I have hereunto set my hand and seal on the date and place first above written.

Doc. No. \_\_\_\_  
Page No. \_\_\_\_  
Book No. \_\_\_\_  
Series of 2012.