

J. RIGHTS OF STOCKHOLDERS

1) Right to participate effectively in and vote in Annual/Special Stockholders' Meetings

(a) Quorum

Give details on the quorum required to convene the Annual/Special Stockholders' Meeting as set forth in its By-Laws

Quorum Required	Stockholders owning a majority of all the shares of the capital stock of the Corporation present or by proxy and entitled to vote, shall form a quorum for the transaction of business; subject thereto and except as otherwise required by law, the Articles of Incorporation or By-Laws, the vote of a majority of all the shares present or represented at any meeting of the stockholders shall be sufficient but necessary for the passing of any resolution.
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(b) System Used to Approve Corporate Acts

Explain the system used to approve corporate acts

System Used	By Voting
Description	<p>The By-Laws provide that the voting must be by ballot or viva voce in the event no contest is raised at the sole discretion of the Chairman of the meeting.</p> <p>Moreover, "every question [except the election of Director] submitted to a meeting shall be decided in the first instance by a show of hands, and in the case of an equality of votes, whether for the election of Directors, or otherwise, the same shall be decided by drawing of lots or in such other lawful manner as may be agreed upon in such meeting. Any person may demand a poll, and such poll shall be taken in such manner as the Chairman of the meeting directs."</p> <p>The Secretary of the meeting, upon motion duly made and seconded, is instructed to count all votes represented at the meeting in favor of the nominees. Cumulative voting shall be followed.</p>

(c) Stockholders' Rights

List any Stockholders' Rights concerning Annual/Special Stockholders' Meeting that differ from those laid down in the Corporation Code.

Stockholders' Rights under The Corporation Code	Stockholders' Rights not in The Corporation Code
Right to attend and vote in person or by proxy at stockholders' meetings	There is no other stockholders' right not in the Corporation Code
Right to elect and remove directors	
Right to approve certain corporate acts	
Right to compel the calling of meetings of stockholders when for any cause there is no person authorized to call a meeting	
Right to issuance of certificate of stock or other evidence of stock ownership and be registered as shareholder	
Right to receive dividends when declared	
Right to participate in the distribution of corporate assets upon dissolution	
Right to transfer of stock on the corporate books	
Right to inspect corporate books and records	
Right to be furnished the most recent financial statement upon request and to receive a financial report of the corporation's operations	
Right to bring individual and representative or derivative suits	
Right to recover stock unlawfully sold for delinquency	
Right to enter into a voting trust agreement	
Right to demand payment of the value of his shares and withdraw from the corporation in certain cases; and	
Right to have the corporation voluntarily dissolved	

Dividends

Declaration Date	Record Date	Payment Date
28 June 2010	2 August 2010	27 August 2010
13 October 2011	11 November 2011	8 December 2011
5 December 2012	19 December 2012	28 December 2012
4 September 2013	18 September 2013	30 September 2013
26 September 2014	17 October 2014	11 November 2014

Updated based on SEC Form 17-C - Cash Dividend filed with SEC on 29 September 2014.

(d) **Stockholders' Participation**

1. **State, if any, the measures adopted to promote stockholder participation in the Annual/Special Stockholders' Meeting, including the procedure on how stockholders and other parties interested may communicate directly with the Chairman of the Board, individual directors or board committees. Include in the discussion the steps the Board has taken to solicit and understand the views of the stockholders as well as procedures for putting forward proposals at stockholders' meetings.**

2. Measures Adopted	3. Communication Procedure
4. Each common share entitles the holder to one vote. At each meeting of the stockholders, each stockholder entitled to vote on a particular question or matter shall be entitled to vote for each share of stock standing in his name in the books of the Corporation as of record date.	5. Definitive Information Statement sent to the stockholders.
6. Website – www.stiholdings.com	7. The stockholders can send their inquiries to our company email address: info@stiholdings.com

8. **State the company policy of asking shareholders to actively participate in corporate decisions regarding:**

a. **Amendments to the company's constitution**

The By-Laws may be amended or repealed by the affirmative vote of at least a majority of the Board of Directors and the stockholders representing a majority of the outstanding capital stock at any stockholders' meeting called for that purpose. However, the power to amend, modify, repeal or adopt new by-laws may be delegated to the Board of Directors by the affirmative vote of the stockholders representing not less than two-thirds of the outstanding capital stock; provided, however, that any such delegation of powers to the Board of Directors to amend, repeal or adopt new by-laws may be revoked only by the vote of stockholders representing a majority of the outstanding capital stock at a regular or special meeting.

Any amendments to the Company's constitution are presented in the Definitive Information Statement. Every question (except the election of Directors) submitted to a meeting shall be decided in the first instance by a show of hands, and in the case of an equality of votes, whether for the election of Directors, or otherwise, the same shall be decided by drawing of lots or in such other lawful manner as may be agreed upon in such meeting. Any person may demand a poll, and such poll shall be taken in such manner as the Chairman of the meeting directs.

b. **Authorization of additional shares**

The authorization of additional shares is presented in the Definitive Information Statement which is sent to the stockholders at least 15 business days prior to the meeting. The authorization of additional shares shall be decided at the Annual or Special Stockholders' meeting, wherein the stockholders are being asked to decide in the first instance by a show of hands, and in the case of an equality of votes, whether for the election of Directors, or otherwise, the same shall be decided by drawing of lots or in such other lawful manner as may be agreed upon in such meeting. Any person may demand a poll, and such poll shall be taken in such manner as the Chairman of the meeting directs.

c. **Transfer of all or substantially all assets, which in effect results in the sale of the company**

The transfer of all or substantially all assets, which in effect results in the sale of the Company is presented in the Definitive Information Statement which is sent to the stockholders at least 15 business days prior to the meeting. Said transfer shall be decided at the Annual or Special Stockholders' meeting, wherein the stockholders are being asked to decide in the first instance by a show of hands, and in the case of an equality of votes, whether for the election of Directors, or otherwise, the same shall be decided by drawing of lots or in such other lawful manner as may be agreed upon in such meeting. Any person may demand a poll, and such poll shall be taken in such manner as the Chairman of the meeting directs.

9. **Does the company observe a minimum of 21 business days for giving out of notices to the AGM where items to be resolved by shareholders are taken up?** 15 business days only

- a. **Date of Sending out notices:** No Special Stockholders' Meeting for 2013 and 2014; Annual Stockholders' Meeting – 29 August 2014
- b. **Date of the Annual/Special Stockholders' Meeting:** No Special Stockholders' meeting for 2013 and 2014; Annual Stockholders' Meeting – 26 September 2014

10. **State, if any, questions and answers during the Annual/Special Stockholders' Meeting**

None

11. **Result of Annual/Special Stockholders' Meeting's Resolutions**

12. Resolution	13. Approving	14. Dissenting	15. Abstaining
Special Stockholders' Meeting (No Special Stockholders' Meeting held for 2013)			

16. Approval of Issuance and Listing of Private Placement Shares	17. N/A	18. N/A	19. N/A
20. Waiver of the requirement to conduct a rights or public offering in connection with the Private Placement Shares	21. N/A	22. N/A	23. N/A
24. Approval of the Share Swap transaction between the Corporation and the shareholders of STI ESG and the issuance of the Share Swap Shares	25. N/A	26. N/A	27. N/A
28. Waiver of the requirement to conduct a rights or public offering in connection with the Share Swap Shares	29. N/A	30. N/A	31. N/A
32. Increase in Authorized Capital Stock to 10 Billion Shares with an aggregate par value of P 5 Billion	33. N/A	34. N/A	35. N/A
36. Change of Corporate Name to STI Education Systems Holdings, Inc.	37. N/A	38. N/A	39. N/A
40. Approval of Follow-On Offering	41. N/A	42. N/A	43. N/A
Annual Stockholders' Meeting (26 September 2014)			
44. Approval of Management Report for FY 2013-2014	45. 66.00%	46. N/A	47. N/A
45. Approval of Audited Financial Statements for FY ending 31 March 2014	46. 66.00%	47. N/A	48. N/A
49. Ratification of Acts of the Board of Directors	50. 66.00%	51. N/A	52. N/A
53. Appointment of SGV & Co. as external auditor	54. 66.00%	55. N/A	56. N/A

Minutes of ASM posted in STI Holdings' website – www.stiholdings.com

57. Date of publishing of the result of the votes taken during the most recent AGM for all resolutions:

The results of the Annual Stockholders' meeting in a current report (SEC Form 17-C) shall be disclosed to the Commission within five (5) days after said meeting and to the Philippine Stock Exchange right after the Organizational meeting of the Board of Directors.

(e) Modifications

State if any, the modifications made in the Annual/Special Stockholders' Meeting regulations during the most recent year and the reason for such modification:

Modifications	Reason for Modification
There is no modification made in the Annual Meeting regulations during the most recent year	N/A

(f) Stockholders' Attendance

(a) Details of attendance in the Annual/Special stockholders' Meeting Held:

Type of Meeting	Names of Board members/Officers present	Date of Meeting	Voting Procedure (by poll, show of hands, etc.)	% of SH Attending in Person	% of SH in proxy	Total % of SH attendance
Annual	Eusebio H. Tanco Monico V. Jacob Joseph Augustin L. Tanco Ma. Vanessa Rose L. Tanco Martin K. Tanco Jesli A. Lapus – ID Johnip G. Cua - ID Yolanda M. Bautista - Treasurer Arsenio C. Cabrera – Corporate Secretary Ana Carmina S. Herrera – Asst. Corporate Secretary	26 Sept 2014	Show of hands	15.22%	50.78%	66.00%
Special	N/A	N/A	N/A	N/A	N/A	N/A

Minutes of ASM posted in STI Holdings' website – www.stiholdings.com

(ii) Does the Company appoint an independent party (inspectors) to count and/or validate the votes at the ASM/SSMs? Yes.

The Secretary of the meeting, upon motion duly made and seconded, is instructed to count all votes represented at the meeting with the assistance of SGV, the external auditor of the Company.

- (iii) Do the company's common shares carry one vote for one share? If not, disclose and give reasons for any divergence to this standard. Where the Company has more than one class of shares, describe the voting rights attached to each class of shares.

The Company has only common shares that carry one vote for one share.

(g) **Proxy Voting Policies**

State the policies followed by the company regarding proxy voting in the Annual/Special Stockholders' Meeting.

	Company's Policies
Execution and acceptance of proxies	The instrument appointing a proxy shall be signed in writing by the appointer. If such appointer is a corporation, its proxy will be signed by the proper corporate officers using specimen signatures on file with the Corporate Secretary or Transfer Agent. No special form of proxy shall be required.
Notary	The proxy form for local residents is not required to be notarized.
Submission of Proxy	All proxies shall be submitted to the Secretary of the Corporation for validation at such dates as the Board of Directors may fix, which in no case shall be less than five (5) days prior to the meeting date of the stockholders
Several Proxies	A stockholder can appoint several proxies to represent him/her in the stockholders meeting.
Validity of Proxy	The proxy is valid only for the meeting for which it is intended.
Proxies executed abroad	Proxies executed abroad should be duly authenticated/notarized by the Philippine Consul's Office in the state or country where he resides.
Invalidated Proxy	Oral proxies, no signature of the stockholder and undated proxies are not valid proxies
Validation of Proxy	Validation of proxies shall be held at the office of the Corporate Secretary five (5) days prior to the meeting date of the stockholders.
Violation of Proxy	There is violation of proxy on the following conditions: 1. If it is not made in accordance with the rules and regulations issued by the Commission; 2. If it is not signed by the stockholder or his duly authorized representative and filed before the scheduled meeting with the Corporate Secretary; and 3. If the broker or dealer issued a proxy to a person other than the customer, without the express written authorization of such customer.

(h) **Sending of Notices**

State the company's policies and procedure on the sending of notices of Annual/Special Stockholders' Meeting.

Policies	Procedure
Annual meetings of the Corporation shall be held on the last Friday of September of each year, upon proper notice which shall not be less than thirty (30) days prior to the annual meeting and shall be given in the manner provided for in the By-Laws.	Notice of meetings to stockholders herein provided for, or which may be ordered by the Directors, except such as are by these By-Laws specifically provided for, shall be in writing, and shall be served upon the stockholders personally or by sending through the mail such notices addressed to such stockholders at the place of residence registered with or last known to the Secretary of the Corporation, and if the Board of Directors so determine by advertisement for not less than three times in a newspaper published in Metro Manila
Special meetings of the stockholders shall be held at any time upon the call of the Chairman, or in his absence upon the call of the President, or upon the request of two of the Directors, or of the holders of not less than one-fourth of the capital stock of the Corporation. Not less than ten days' notice of any special meeting of stockholders shall be given as provided in the By-Laws.	Notice of meetings to stockholders herein provided for, or which may be ordered by the Directors, except such as are by these By-Laws specifically provided for, shall be in writing, and shall be served upon the stockholders personally or by sending through the mail such notices addressed to such stockholders at the place of residence registered with or last known to the Secretary of the Corporation, and if the Board of Directors so determine by advertisement for not less than three times in a newspaper published in Metro Manila

(i) **Definitive Information Statements and Management Report**

Number of Stockholders entitled to receive Definitive Information Statements and Management Report and Other Materials	1,244
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by market participants/certain beneficial owners	1 September 2014
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by stockholders	1 September 2014
State whether CD format or hard copies were distributed	CD Format were distributed to the stockholders for the past three (3) years
If yes, indicate whether requesting stockholders were provided	Yes, it was actually stated in the report that we will provide

hard copies	without charge, upon written request from the stockholder, a copy of the Definitive Information Statement, Management Report and Other materials that are being attached to the CD.
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[Definitive Information Statement filed with SEC on 18 August 2014](#)

(j) Does the Notice of Annual/Special Stockholders' Meeting include the following:

Each Resolution to be taken up deals with only one item.	Yes
Profiles of directors (at least age, qualification, date of first appointment, experience, and directorships in other listed companies) nominated for election/re-election	Yes
The auditors to be appointed or re-appointed	Yes
An explanation of the dividend policy, if any dividend is to be declared.	Yes
The amount payable for final dividends	Yes
Documents required for proxy vote.	No, because we did not request the stockholders to send us a proxy.

Should any the foregoing information be not disclosed, please indicate the reason thereto.

2) Treatment of Minority Stockholders

(a) State the company's policies with respect to the treatment of minority stockholders.

Policies	Implementation
In respect to the rights of the minority shareholders, a director shall not be removed without cause if it will deny minority shareholders representation in the Board.	Cumulative voting is the manner of voting used by the Corporation.
Minority Shareholders shall have the right to information	Availability of the website; Sent out to all the stockholders copies of all reports submitted to the SEC and PSE;
It shall be the duty of the directors of the Corporation to promote shareholders' rights, remove impediments to the exercise of shareholders' rights and allow opportunities for them to seek redress for violation of their rights. They shall encourage the exercise of shareholders' voting rights and the solution of collective action problems through appropriate mechanisms. They shall employ all possible means to minimize costs and other administrative or practical impediments to shareholders participating in meetings and/or voting in person. The directors shall also pave the way for the electronic filing and distribution of shareholder information necessary to make informed decisions subject to legal constraints.	Included in the Manual on Corporate Governance the duties of the directors in protecting the shareholder's rights.

(b) Do minority stockholders have a right to nominate candidates for board of directors? Yes.