



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

Company Reg. No. 160968

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

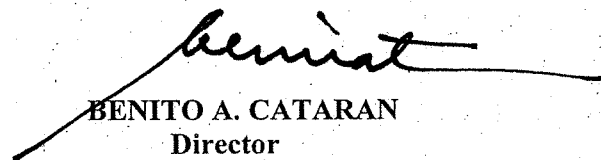
KNOW ALL PERSONS BY THESE PRESENTS:

THIS IS TO CERTIFY that the Amended By-Laws of

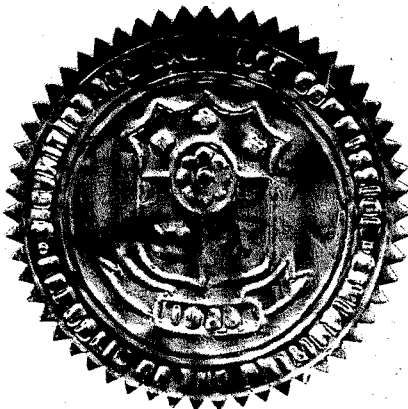
PEPSI-COLA PRODUCTS PHILIPPINES, INC.

copy annexed, adopted on June 21, 2007 by majority vote of the Board of Directors and on June 26, 2007 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 hereunto set my hand and caused the seal of this Commission to be affixed at Mandaluyong City, Metro Manila, Philippines, this 17th day of July, Two Thousand Seven.


BENITO A. CATARAN
Director

Company Registration and Monitoring Department



**AMENDED BY - LAWS
OF
PEPSI-COLA PRODUCTS PHILIPPINES, INC.**
(SEC Registration No. 160968)

**Article I
STOCK**

SECTION 1. Certificates of stock shall be issued in numerical order from the stock certificate book, signed by the President-Chief Executive Officer¹ and countersigned by the Secretary, and sealed with the seal of the Corporation. A record of each certificate shall be kept on the stub thereof.

SECTION 2. Transfers of stock shall be made only upon the delivery of the certificate properly endorsed by the owner or his attorney-in-fact or other person legally authorized to make such transfer. No share of stock against which the Corporation holds an unpaid claim shall be transferable on the books of the Corporation.

SECTION 3. No certificate of stock shall be issued to a subscriber until the full amount of his subscription, together with interest and expenses (in case of delinquent shares), if any is due, has been paid to the Corporation.

The unpaid subscriptions of the Corporation shall not be charged any interest unless the same have been declared delinquent by the Board pursuant to call made in accordance with law or pursuant to the terms of the subscription agreement.

SECTION 4. Treasury stock shall be held subject to disposal by the Board of Directors or the stockholders of the Corporation (each, a "Stockholder")², as the case may be, and shall neither vote nor participate in dividends while held by the Corporation.

SECTION 5. The stock and transfer books may be closed as the Board of Directors may from time to time determine for a period not exceeding twenty (20) days before the annual or any special meeting of Stockholders or before the day appointed for the payment of any dividend, or before any date on which rights of any kind or in connection with which the stock of the Corporation are to be determined or exercised; provided, however, that in lieu of closing the said books, the Board of Directors may fix in advance a day as the record date for the determination of Stockholders to be entitled to have or exercise the right to receive notices, to vote, to receive dividends, or to receive or exercise any such rights. In the event that the stock and transfer books are to be closed, the Secretary may be directed by the Board of Directors to give notice of such closing.³

¹ As amended during the regular meeting of the Board of Directors of the Corporation held on 21 June 2007 and the special meeting of the Stockholders of the Corporation held on 26 June 2007.

² As amended during the regular meeting of the Board of Directors of the Corporation held on 21 June 2007 and the special meeting of the Stockholders of the Corporation held on 26 June 2007.

³ As amended during the regular meeting of the Board of Directors of the Corporation held on 21 June 2007 and the special meeting of the Stockholders of the Corporation held on 26 June 2007.

Article II STOCKHOLDERS

SECTION 1. The annual meeting of Stockholders Δ shall be held in Metro Manila in October of each year on such date (which shall not be a legal holiday) as the Board of Directors may fix.⁴

SECTION 2. Special meetings of the Stockholders may be called at the office of the Corporation by resolution of the Board of Directors, upon request of the Stockholders holding one-third or more of the fully paid-up capital stock, or by the President-Chief Executive Officer⁵ κ

SECTION 3. Subject to the rule on proxies and information statements under pertinent laws and rules, notices of every regular or special meeting of Stockholders shall be mailed to the last known post office address of each Stockholder not less than ten (10) days prior to any such meeting, and in case of a special meeting such notice shall state the object or objects of the meeting. Notices of special meetings shall be sent by the person or persons issuing the call.⁶

SECTION 4. The election of Directors of the Corporation shall be held at the annual meeting of the Stockholders each year. The election shall be by ballot, and cumulative voting shall be allowed: Provided, however, that no delinquent stock shall be voted.⁷

SECTION 5. A quorum at any meeting of the Stockholders shall consist of the Stockholders representing a majority of the outstanding capital stock of the Corporation, and a majority of the entire outstanding stock of the Corporation shall be necessary to decide any matter that may come before a meeting, unless otherwise provided by the Articles of Incorporation or by law.⁸

SECTION 6. The order of business at regular meetings of the Stockholders, and as far as possible at all other meetings, shall be:⁹

⁴ As amended during the regular meeting of the Board of Directors of the Corporation held on 21 June 2007 and the special meeting of the Stockholders of the Corporation held on 26 June 2007.

⁵ As amended during the regular meeting of the Board of Directors of the Corporation held on 21 June 2007 and the special meeting of the Stockholders of the Corporation held on 26 June 2007.

⁶ As amended during the regular meeting of the Board of Directors of the Corporation held on 21 June 2007 and the special meeting of the Stockholders of the Corporation held on 26 June 2007.

⁷ As amended during the regular meeting of the Board of Directors of the Corporation held on 21 June 2007 and the special meeting of the Stockholders of the Corporation held on 26 June 2007.

⁸ As amended during the regular meeting of the Board of Directors of the Corporation held on 21 June 2007 and the special meeting of the Stockholders of the Corporation held on 26 June 2007.

⁹ As amended during the regular meeting of the Board of Directors of the Corporation held on 21 June 2007 and the special meeting of the Stockholders of the Corporation held on 26 June 2007.

1. Roll Call.
2. Proofs of quorum and¹⁰ notice of meeting.
3. Reading and approval of minutes of the previous meeting.
4. Annual reports of officers and committees.
5. Special reports called for.
6. Election of Directors.
7. Appointment of Auditors.
8. Other Matters.
9. Adjournment.

SECTION 7. (a) Subject to the relevant provisions of applicable law and the rules on independent directors under pertinent laws and regulations, Δ the Corporation shall be managed by a Board of such number of directors as may be fixed in the Articles of Incorporation, each of whom shall be a Stockholder and who shall be elected by the Stockholders for a term of one year and shall serve until the election and acceptance of their duly qualified successors.¹¹

Δ ¹²

(b) A Stockholder shall be entitled to nominate the replacement(s) for the director(s) Δ who were nominated by such Stockholder or director representing such Stockholder (as the case may be). Except in cases where a vacancy in the Board of Directors is due to the removal of a director or an increase in the number of directors (which vacancy shall be filled by the Stockholders in a regular or special meeting called for that purpose), a majority of the remaining directors, if still constituting a quorum (or, in the event the remaining directors do not constitute a quorum, by the Stockholders in a regular or special meeting called for that purpose) shall vote to elect that replacement(s) so nominated.¹³

Δ ¹⁴

SECTION 8. For as long as the Exclusive Bottling Appointments granted by PepsiCo, Inc. ("PepsiCo") or its affiliates to the Corporation authorizing the Corporation under the terms and conditions specified therein to produce beverages known as and sold under the trademarks PEPSI, DIET PEPSI, PEPSI MAX, MIRINDA, MOUNTAIN DEW, DIET 7UP, 7UP, GATORADE, PROPEL, TROPICANA and STING, or its replacement agreements (collectively, the "Appointments"), provide for and remain effective, Δ PepsiCo retains, among other rights, the right to cancel and terminate the Appointments [except if PepsiCo is a party to or the cause of such event(s)] upon the

¹⁰ As amended during the regular meeting of the Board of Directors of the Corporation held on 21 June 2007 and the special meeting of the Stockholders of the Corporation held on 26 June 2007.

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¹² As amended during the regular meeting of the Board of Directors of the Corporation held on 21 June 2007 and the special meeting of the Stockholders of the Corporation held on 26 June 2007.

¹³ As amended during the regular meeting of the Board of Directors of the Corporation held on 21 June 2007 and the special meeting of the Stockholders of the Corporation held on 26 June 2007.

¹⁴ As amended during the regular meeting of the Board of Directors of the Corporation held on 21 June 2007 and the special meeting of the Stockholders of the Corporation held on 26 June 2007.

any sale, transfer, change of ownership or other disposition (including, but not limited to, merger, consolidation or dissolution), whether voluntary or involuntary or by operation of law or otherwise, without the prior written consent of PepsiCo which in its absolute and unqualified discretion may be withheld, of the stock, shares of interest or other evidence of ownership of the Corporation, in a single transaction or a series of related transactions:

- (i) which results directly or indirectly in a change of the management control of the Corporation; or
- (ii) which results directly or indirectly in a Prohibited Transferee acquiring ten percent (10%) or more of ownership control of the Corporation. "Prohibited Transferee" is defined to mean any person or entity which engages directly or indirectly in the manufacture, bottling, sale, or distribution anywhere in the world of any product which competes with any of the beverages covered by the Appointments; or
- (iii) which results directly or indirectly in 20% or more of the Corporation's share being acquired by any natural or juridical person (or persons acting together) not listed in the Appointments.¹⁵

Each Stockholder agrees not to enter into any such sale, transfer, change of ownership or other disposition referred to in this Section 8, Article II of the By-Laws, except if such sale, transfer, change of ownership or other disposition is by way of an on-market sale where the identity of the buyer (aa) would not generally be known to a seller undertaking such a transaction; and (bb) is not actually known by the Stockholder (provided that this latter proviso is without prejudice to the rights of the parties to the Appointments under the Appointments). For purposes of these By-Laws, and to the extent applicable, the term "PepsiCo" shall include all its affiliates including but not limited to PepsiCo Global Investments II B.V., PepsiCo Global Investments B.V., Quaker Global Investments B.V., and Pepsi-Cola Far East Trade Development Co., Inc., any of their successors-in-interest, or any other entity utilized by PepsiCo to hold its interest in the Corporation.¹⁶

△¹⁷

SECTION 9. Any transfer, encumbrance or other disposition of shares in the Corporation which does not comply with these By-Laws, as amended △, shall be null and void *ab initio* and shall not be registered or registrable in the books of the Corporation.

△¹⁸

¹⁵ As amended during the regular meeting of the Board of Directors of the Corporation held on 21 June 2007 and the special meeting of the Stockholders of the Corporation held on 26 June 2007.

¹⁶ As amended during the regular meeting of the Board of Directors of the Corporation held on 21 June 2007 and the special meeting of the Stockholders of the Corporation held on 26 June 2007.

¹⁷ As amended during the regular meeting of the Board of Directors of the Corporation held on 21 June 2007 and the special meeting of the Stockholders of the Corporation held on 26 June 2007.

¹⁸ As amended during the regular meeting of the Board of Directors of the Corporation held on 21 June 2007 and the special meeting of the Stockholders of the Corporation held on 26 June 2007.

△¹⁹

Article III DIRECTORS

SECTION 1. The business △ of the Corporation shall be conducted and all its property controlled and held by a Board of Directors the members of which shall be elected from among the Stockholders at the annual meeting, and who shall hold office for one year, and until their successors are duly elected and qualified. All Directors shall at all times possess all the qualifications and none of the disqualifications provided for in the Articles of Incorporation, these By-Laws, the Manual of Corporate Governance, applicable laws, regulations, and resolutions and rules passed or adopted by the Nomination Committee. The Board of Directors shall be responsible for setting the overall strategic direction of the Corporation. It shall agree upon the long-term plans, capitalization and significant investments of the Corporation, set the key strategic milestones, plans and policies for execution by the President-Chief Executive Officer²⁰ and the senior management team, and approve the Annual Operating Plan.²⁰

SECTION 2. Regular meetings of the Board of Directors may be held at such times and at such places, either within or without the Philippines, as the Board of Directors may from time to time by resolution determine.

SECTION 3. Special Meetings of the Board of Directors may be called at any time by the President-Chief Executive Officer²¹ or by any three members of the board and may be held at any place, either within or without the Philippines.

SECTION 4. Notices of regular and special meetings of the Board of Directors shall be given to each Director by personal delivery, telex, or facsimile not less than seven (7) days before any such meeting, and notices of special meetings shall state the purpose or purposes thereof. Notices of regular meetings shall be sent by the Secretary or Assistant Secretary and notices of special meetings by the President-Chief Executive Officer²² or the Directors issuing the call. All proceedings had and business transacted without such notice shall be null and void *ab initio* unless all Directors waive such notice.

SECTION 5. A quorum at any meeting of the Board of Directors shall consist of a majority of the entire membership of the Board and a majority of those present shall be necessary to decide any matter that may come before a meeting, except for the election of officers which shall require the vote of a majority of all the members of the Board.

SECTION 6. The Board of Directors may hold meetings, after due notice, by conference telephone call, video conference, or such other allowable electronic means to the extent permitted by and under the rules and requirements established by applicable Philippine law, and any resolution adopted by the Board of Directors at such

¹⁹ As amended during the regular meeting of the Board of Directors of the Corporation held on 21 June 2007 and the special meeting of the Stockholders of the Corporation held on 26 June 2007.

²⁰ As amended during the regular meeting of the Board of Directors of the Corporation held on 21 June 2007 and the special meeting of the Stockholders of the Corporation held on 26 June 2007.

²¹ As amended during the regular meeting of the Board of Directors of the Corporation held on 21 June 2007 and the special meeting of the Stockholders of the Corporation held on 26 June 2007.

²² As amended during the regular meeting of the Board of Directors of the Corporation held on 21 June 2007 and the special meeting of the Stockholders of the Corporation held on 26 June 2007.

telephonic or electronic meeting with a quorum in attendance will be equally valid as resolutions that are adopted at a meeting of the Board of Directors held in person; provided, that written confirmation of such resolutions are duly signed by the number of Directors that would be required for a vote at a Board meeting held in person.²³

SECTION 7. The Board of Directors shall elect the officers of the Corporation at its first meeting after the elections of Directors each year, to hold office for one (1) year or until their successors are duly elected and qualified. Vacancies shall be filled for the unexpired term by special election at any meeting of the Board of Directors at which a quorum is present.

SECTION 8. The Board of Directors may remove at any time, with or without cause, any officer elected as provided for in the preceding section, at any regular or special meeting of the Board.

SECTION 9. The order of business at regular meetings of the Board of Directors, and as far as possible at all other meetings, shall be:

1. Roll Call.
2. Proofs of quorum and²⁴ notice of meeting.
3. Reading and approval of minutes of previous meeting.
4. Reports of officers and committees.
5. Unfinished business.
6. New Business.
7. Other Matters.
8. Adjournment.

SECTION 10. The Board of Directors shall create and appoint the following committees: an Executive Committee, an Audit Committee, a Nomination Committee, a Compensation and Remuneration Committee, and may create such other committees as it may deem necessary or convenient. The Executive Committee, the Audit Committee, the Nomination Committee, and the Compensation and Remuneration Committee shall resolve all matters brought before it (including the election of their respective Chairmen) by the unanimous vote of its Director-members. If unanimity cannot be achieved at the committee level, the unresolved issue or matter for decision by the committee shall be elevated to the Board for consideration and approval which shall decide the same by majority vote, unless it is one of those corporate acts requiring the vote of two-thirds (2/3) of the members of the Board.²⁵

10.1 The Executive Committee shall be composed of at least five members, namely, the President-Chief Executive Officer, the Chief Financial Officer, and such other Directors. For as long as the Appointments remain effective, then PepsiCo shall be entitled to nominate at least one member of the Executive Committee. The Executive Committee shall meet at least once a month, and shall review the detailed financial and

²³ As amended during the regular meeting of the Board of Directors of the Corporation held on 21 June 2007 and the special meeting of the Stockholders of the Corporation held on 26 June 2007.

²⁴ As amended during the regular meeting of the Board of Directors of the Corporation held on 21 June 2007 and the special meeting of the Stockholders of the Corporation held on 26 June 2007.

²⁵ As amended during the regular meeting of the Board of Directors of the Corporation held on 21 June 2007 and the special meeting of the Stockholders of the Corporation held on 26 June 2007.

operating performance of the Corporation every month. It shall review progress against the relevant Annual Operating Plan and Operating Targets, monitor the Corporation's progress against key initiatives, pricing strategies and plans, sales and marketing plans, capital expenditure planning and key decisions on organization structure and people. It shall work with the President-Chief Executive Officer in identifying issues affecting the business of the Corporation, and shall provide guidance to the President-Chief Executive Officer. It shall work with the President-Chief Executive Officer and his senior management team to formulate and develop the Annual Operating Plan prior to review by the Board of Directors. The Executive Committee shall have and exercise all the powers of the Board of Directors during the intervals between Board meetings except for: (1) approval of any action for which Stockholders' approval is also required; (2) the filling of vacancies in the Board; (3) the amendment or repeal of these By-Laws or the adoption of new by-laws; (4) the amendment or repeal of any resolution of the Board which by its express terms is not so amendable or repealable; (5) a distribution of dividends to the Stockholders; and (6) such other matters as may be specifically excluded or limited by the Board or by the Corporation Code. The Executive Committee shall keep minutes of each of its meetings, which shall be presented at the next succeeding meeting of the Board of Directors for ratification.²⁶

10.2 The Audit Committee shall be composed of at least three members of the Board, with at least two members being independent directors. Each member shall have adequate understanding of the Corporation's financial management systems and environment. The Chairman of the Audit Committee shall be an independent director. The Audit Committee shall meet at least once every three months, and shall (a) check all financial reports against its compliance with both the internal financial management handbook and pertinent accounting standards, including regulatory requirements; (b) perform oversight financial management functions specifically in the areas of managing credit, market, liquidity, operational, legal and other risks of the Corporation, and crisis management; (c) pre-approve all audit plans, scope and frequency before the conduct of external audit; (d) perform direct interface functions with the internal and external auditors; (e) endeavour to elevate to international standards the accounting and auditing processes, practices and methodologies in accordance with applicable laws and regulations; (f) develop a transparent financial management system that will ensure the integrity of internal control activities throughout the Corporation through a step-by-step procedures and policies handbook that will be used by the entire organization. The Audit Committee shall keep minutes of each of its meetings, which shall be presented at the next succeeding meeting of the Board of Directors for ratification.²⁷

10.3 The Nomination Committee shall be composed of at least three members, one of whom shall be an independent director. The Board of Directors may also designate non-voting members as it may on a case-to-case basis require for purposes of advising the Committee. The Nomination Committee shall meet at least once a year, and shall (a) pre-screen and shortlist all candidates nominated to become a member of the Board of Directors in accordance with the qualifications and disqualifications provided for in the Articles of Incorporation, these By-Laws, the Manual of Corporate Governance, applicable laws, regulations, and resolutions and rules passed or adopted by it, the

²⁶ As amended during the regular meeting of the Board of Directors of the Corporation held on 21 June 2007 and the special meeting of the Stockholders of the Corporation held on 26 June 2007.

²⁷ As amended during the regular meeting of the Board of Directors of the Corporation held on 21 June 2007 and the special meeting of the Stockholders of the Corporation held on 26 June 2007.

Shareholders, the Board of Directors, including disqualifying nominees who, in the Committee's judgment, represents an interest adverse to or in direct or indirect conflict with those of the Corporation; (b) advise the Board and the Shareholders, as applicable, whether the directors continue to be qualified or are disqualified from continuing as members of the Board of Directors; (c) in consultation with the Executive Committee, re-define the role, duties, and responsibilities of the President-Chief Executive Officer^A or other members of senior management by integrating the dynamic requirements of the business as a going concern and future expansionary prospects within the realm of good corporate governance at all times. The Nomination Committee shall keep minutes of each of its meetings, which shall be presented at the next succeeding meeting of the Board of Directors for ratification.²⁸

10.4 The Compensation and Remuneration Committee shall be composed of at least three members, one of whom shall be an independent director. The Board of Directors may also designate non-voting members as it may on a case-to-case basis require for purposes of advising the Committee. The Compensation and Remuneration Committee shall meet at least once a year, and shall (a) establish a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration packages of members of senior management and directors, and provide oversight over remuneration of senior management and other key personnel ensuring that compensation is consistent with the Corporation's culture, strategy and control environment; (b) designate the amount of remuneration, which shall be in a sufficient level to attract and retain senior management and directors who are needed to run the Corporation successfully; (c) develop a Full Business Interest Disclosure form as part of the pre-employment requirements for all incoming officers, which among others compel all officers to declare under the penalty of perjury all their existing business interests or shareholdings that may directly or indirectly conflict in their performance of duties once hired; (d) disallow any director to decide his or her own remuneration; (e) to the extent required by law or regulation, provide in the Corporation's annual reports, information, and proxy statements a clear, concise, and understandable disclosure of compensation of its executive officers for the previous fiscal year and the ensuing year; and (f) review (if any) or cause the development of, the existing Human Resources Development or Personnel Handbook, to strengthen provisions on conflict of interest, salaries, and benefits policies, promotion and career advancement directives and compliance of personnel concerned with all statutory requirements that must be periodically met in their respective posts. The Compensation and Remuneration Committee shall keep minutes of each of its meetings, which shall be presented at the next succeeding meeting of the Board of Directors for ratification.²⁹

10.5 The other committees of the Board, created and appointed by the Board from time to time, shall have such powers and duties not inconsistent herewith as the Board of Directors may from time to time determine. All such committees shall resolve all matters brought before it (including the election of their respective Chairmen) by the unanimous vote of its Director-members. If unanimity cannot be achieved at the committee level, the unresolved issue or matter for decision by the committee shall be elevated to the Board for consideration and approval which shall decide the same by

²⁸ As amended during the regular meeting of the Board of Directors of the Corporation held on 21 June 2007 and the special meeting of the Stockholders of the Corporation held on 26 June 2007.

²⁹ As amended during the regular meeting of the Board of Directors of the Corporation held on 21 June 2007 and the special meeting of the Stockholders of the Corporation held on 26 June 2007.

majority vote, unless it is one of those corporate acts requiring the vote of two-thirds (2/3) of the members of the Board.³⁰ The members of the Executive Committee and such other committees created by the Board of Directors may be removed at any time by the Board of Directors, with or without cause, and any vacancies in such committees shall be filled by the Board of Directors, at any regular or special meeting of the Board at which a quorum is present; provided, that only the party which nominated the member who was removed may nominate the replacement of such member. The Board of Directors shall adopt rules and regulations not inconsistent herewith, prescribing the powers of the Executive Committee and the other committees, and the manner in which said powers shall be exercised.

Each of the members of the Executive, Audit, Nomination, Compensation and Remuneration,³¹ and other committees shall receive written notice (whether by personal delivery, telex or facsimile) of all meetings of such committee, at least seven (7) days prior to the date of any such meeting. All proceedings had and business transacted at any meeting without such notice shall be null and void *ab initio* unless all committee members waive such notice.

SECTION 11. The members of the Board of Directors, the Corporate Secretary and the Assistant Corporate Secretary shall be paid per diems, transportation and representation allowances and/or other similar compensation as the Board may determine and fix from time to time. The members of the Board of Directors, as well as the Corporate Secretary and the Assistant Corporate Secretary, may also be granted additional compensation \wedge in such amount and manner as the Board may from time to time fix and determine; provided, further, that the Directors who serve as independent directors, officers or employees of the Corporation may receive such additional compensation as the Board of Directors may determine; and provided, further, that Directors who are appointed to serve on the Executive Committee and other standing committees of the Corporation, may each be paid such additional compensation as the Stockholders may determine.³²

SECTION 12. For so long as the Appointments provide for and remain effective, the affirmative vote of PepsiCo, as a direct or indirect Stockholder, shall be required for the validity of the following acts:³³

- (1) Amendment of Articles of Incorporation and/or By-Laws insofar as such amendment affects PepsiCo's rights and interests³⁴;

³⁰ As amended during the regular meeting of the Board of Directors of the Corporation held on 21 June 2007 and the special meeting of the Stockholders of the Corporation held on 26 June 2007.

³¹ As amended during the regular meeting of the Board of Directors of the Corporation held on 21 June 2007 and the special meeting of the Stockholders of the Corporation held on 26 June 2007.

³² As amended during the regular meeting of the Board of Directors of the Corporation held on 21 June 2007 and the special meeting of the Stockholders of the Corporation held on 26 June 2007.

³³ As amended during the regular meeting of the Board of Directors of the Corporation held on 21 June 2007 and the special meeting of the Stockholders of the Corporation held on 26 June 2007.

³⁴ As amended during the regular meeting of the Board of Directors of the Corporation held on 21 June 2007 and the special meeting of the Stockholders of the Corporation held on 26 June 2007.

(2) Expanding the range of products to be produced, sold or distributed by the Corporation to include any product not licensed to the Corporation by PepsiCo Δ or its affiliate without the prior affirmative written consent of PepsiCo. Δ ³⁵

SECTION 13. For so long as the Appointments remain effective, at any board of directors meeting of the Corporation, the affirmative vote of 66-2/3% of the directors present at a meeting where a quorum exists Δ shall be required for the validity of any of the following acts:³⁶

- (1) Sale of the business or any merger of the Corporation;
- (2) Disposal of any assets of the Corporation which have a value in excess of 15% of the net book value of all the assets of the Corporation unless provided for in the relevant Annual Operating Plan;³⁷
- (3) Substantial change in the business activities of the Corporation unless provided for in the relevant Annual Operating Plan;
- (4) Any external borrowing by the Corporation unless provided for in the relevant Annual Operating Plan;
- (5) Issuance of any guarantee by the Corporation other than in the ordinary course of business and, even if in the ordinary course of business, to any shareholder holding at least 5% of the Corporation's issued and outstanding capital stock or any affiliate of any such shareholder Δ ³⁸;
- (6) Any change in the capital structure of the Corporation or any capital expenditure unless provided for in the relevant Annual Operating Plan³⁹;
- (7) Any related party transaction involving the Corporation and any material shareholder holding at least 5% of the Corporation's issued and outstanding capital stock or its affiliate Δ which are (i) other than on commercial arms length terms or in the ordinary course of business Δ , or (ii) are in excess of the equivalent of US\$1,000,000.00;⁴⁰
- (8) Granting by the Corporation of any warrants, conversion rights or other contingent rights to equity unless provided for in the relevant Annual

³⁵ As amended during the regular meeting of the Board of Directors of the Corporation held on 21 June 2007 and the special meeting of the Stockholders of the Corporation held on 26 June 2007.

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³⁷ As amended during the regular meeting of the Board of Directors of the Corporation held on 21 June 2007 and the special meeting of the Stockholders of the Corporation held on 26 June 2007.

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³⁹ As amended during the regular meeting of the Board of Directors of the Corporation held on 21 June 2007 and the special meeting of the Stockholders of the Corporation held on 26 June 2007.

⁴⁰ As amended during the regular meeting of the Board of Directors of the Corporation held on 21 June 2007 and the special meeting of the Stockholders of the Corporation held on 26 June 2007.

Operating Plan, except for any employee stock option scheme which has been approved by the Board of Directors⁴¹;

(9) Declaration or payment of dividends other than in accordance with the policy that after 22 December 1999, the Corporation may declare and pay dividends up to 50% (or such other percentage as may be reset by the Board) of its net profits (after allowing for provisions and other requirements of the Annual Operating Plan) on condition that it complies with the Δ applicable Operating Targets as set out in the then current Annual Operating Plan;

(10) Change of the terms of employment (including compensation, severance, or termination) for the four (4) highest-paid officers and directors of the Corporation other than such terms as passed upon and recommended by the Compensation and Remuneration Committee;

(11) Change of any accounting methods unless required by applicable law, regulation, or accounting standards;⁴²

(12) Approval or modification of any Annual Operating Plan; and⁴³

(13) Any amendment to or the renewal of the Appointments.⁴⁴

Article III-A

INDEPENDENT DIRECTORS⁴⁵

SECTION 1. The Corporation shall, to the extent required by law or regulation, have two independent directors or at least 20% of its board size, whichever is the lesser. All Directors, including Independent Directors, shall at all times possess all the qualifications and none of the disqualifications provided for in the Articles of Incorporation, these By-Laws, the Manual of Corporate Governance, applicable laws, regulations, and resolutions and rules passed or adopted by the Nomination Committee.

SECTION 2. An Independent Director is a person who, apart from his fees and shareholdings, is independent of management and free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with his exercise of independent judgment in carrying out his responsibilities as a director in the Corporation and includes, among others a person who:

⁴¹ As amended during the regular meeting of the Board of Directors of the Corporation held on 21 June 2007 and the special meeting of the Stockholders of the Corporation held on 26 June 2007.

⁴² As amended during the regular meeting of the Board of Directors of the Corporation held on 21 June 2007 and the special meeting of the Stockholders of the Corporation held on 26 June 2007.

⁴³ As amended during the regular meeting of the Board of Directors of the Corporation held on 21 June 2007 and the special meeting of the Stockholders of the Corporation held on 26 June 2007.

⁴⁴ As amended during the regular meeting of the Board of Directors of the Corporation held on 21 June 2007 and the special meeting of the Stockholders of the Corporation held on 26 June 2007.

⁴⁵ As amended during the regular meeting of the Board of Directors of the Corporation held on 21 June 2007 and the special meeting of the Stockholders of the Corporation held on 26 June 2007.

- (1) Is not a director or officer of the Corporation or of its related companies or any of its substantial shareholders (other than as an independent director of any of the foregoing). For purposes of this Article, "related company" means another company which is: (a) its holding company; (b) its subsidiary; or (c) a subsidiary of its holding company; and "substantial shareholder" means any person who is directly or indirectly the beneficial owner of more than ten percent (10%) of any class of its equity security;
- (2) Does not own more than two percent (2%) of the shares of the Corporation and/or its related companies or any of its substantial shareholders;
- (3) Is not related to any director, officer or substantial shareholder of the Corporation, any of its related companies or any of its substantial shareholders. For this purpose, relatives include spouse, parent, child, brother, sister, and the spouse of such child, brother or sister;
- (4) Is not acting as a nominee or representative of any director or substantial shareholder of the Corporation, and/or any of its related companies and/or any of its substantial shareholders;
- (5) Has not been employed in any executive capacity by the Corporation, any of its related companies and/or by any of its substantial shareholders within the last five (5) years;
- (6) Is not retained, either personally or through his firm or any similar entity, as professional adviser, by the Corporation, any of its related companies and/or any of its substantial shareholders, within the last five (5) years; or
- (7) Has not engaged and does not engage in any transaction with the Corporation and/or with any of its related companies and/or with any of its substantial shareholders, whether by himself and/or with other persons and/or through a firm of which he is a partner and/or a company of which he is a director or substantial shareholder, other than transactions which are conducted at arms' length and are immaterial.

SECTION 3. In addition to the disqualifications provided for in the Articles of Incorporation, these By-Laws, the Manual of Corporate Governance, applicable laws, regulations, and resolutions and rules passed or adopted by the Nomination Committee, an independent director shall likewise be disqualified during his tenure under the following instances or causes:

- (1) He becomes an officer or employee of the Corporation where he is an independent director;
- (2) His beneficial security ownership exceeds two percent (2%) of the outstanding capital stock of the Corporation where he is an independent director; or
- (3) Fails, without any justifiable cause, to attend at least 50% of the total number of Board meetings during his incumbency unless such absences are due to justifiable causes.

✓ SECTION 4. The nomination of independent directors shall be conducted by the Nomination Committee prior to a Stockholders' meeting. All recommendations shall be signed by the nominating stockholders together with the acceptance and conformity by

the nominees. The Nomination Committee shall pre-screen the qualifications and prepare a final list of all candidates and put in place screening policies and parameters to enable it to effectively review the qualifications of the nominees for independent directors. After the nomination, the Nomination Committee shall prepare a Final List of Candidates which shall contain all the information about all the nominees for independent directors, as required under applicable regulations, which list, shall be made available to the Securities and Exchange Commission (the "Commission") and to all Stockholders through the filing and distribution of the Information Statement or Proxy Statement in accordance with applicable rules and regulations or in such other reports that the Corporation is required to submit to the Commission. The name of the person or group of persons who recommended the nomination of the independent director shall be identified in such report including any relationship with the nominee. Only nominees whose names appear on the Final List of Candidates shall be eligible for election as independent directors. No other nominations shall be entertained after the Final List of Candidates shall have been prepared. No further nominations shall be entertained or allowed on the floor during the actual Stockholders meeting.

SECTION 5. Except as those required and subject to pertinent existing laws, rules and regulations of the Commission, the conduct of the election of independent directors shall be made in accordance with the standard election procedures of the Corporation or its By-Laws. It shall be the responsibility of the Chairman of the Meeting to inform all Stockholders in attendance of the mandatory requirement of electing independent directors. He shall ensure that independent directors are elected during the Stockholders' meeting. Specific slots for independent directors shall not be filled-up by unqualified nominees. In case of failure of election for independent directors, the Chairman of the Meeting shall call a separate election during the same meeting to fill up the vacancy.

SECTION 6. In case of resignation, disqualification or cessation of independent directorship and only after notice has been made with the Commission within five (5) days from such resignation, disqualification or cessation, the vacancy shall be filled by the vote of at least a majority of the remaining directors, if still constituting a quorum, upon the nomination of the Committee; otherwise, said vacancies shall be filled by the Stockholders in a regular or special meeting called for that purpose. An independent director so elected to fill a vacancy shall serve only for the unexpired term of his predecessor in office.

Article IV OFFICERS

SECTION 1. The Officers of the Corporation includes a Chairman of the Board, a Vice-Chairman, a President-Chief Executive Officer, a Chief Operating Officer,⁴⁶ one or more Executive Vice Presidents, one or more Vice Presidents, a Chief Financial Officer, a Treasurer, a Corporate Secretary, an Assistant Corporate Secretary, and such other officers as the Board of Directors may from time to time elect or appoint. Any two or more offices, except those the functions and duties of which are incompatible, may be held by one person by resolution of the Board of Directors.

⁴⁶ As amended during the regular meeting of the Board of Directors of the Corporation held on 21 June 2007 and the special meeting of the Stockholders of the Corporation held on 26 June 2007.

SECTION 2. The Chairman of the Board shall preside at all meetings of the Board of Directors and Stockholders.⁴⁷

SECTION 3. The Vice-Chairman of the Board shall preside at the meetings of the Board of Directors and Stockholders in the absence of the Chairman. He shall exercise such powers and perform such duties and functions as the Board of Directors may, from time to time, assign to him.⁴⁸

SECTION 4. The President shall be a Stockholder and director of the Corporation. He shall be the Chief Executive Officer of the Corporation and in charge of the general management of the business and affairs of the Corporation. Along with the senior management team reporting to him, he shall be fully responsible for the day-to-day operations of the business of the Corporation and △ shall develop the Annual Operating Plan △, and present the Annual Operating Plan to the Executive Committee and Board of Directors for review and approval, be fully responsible for executing the Annual Operating Plan, be charged with maximizing the Corporation's business results, identifying issues affecting its business, and developing and executing plans to enhance the Corporation's performance. He shall perform all such other duties as are incident to his office or are properly required of him by the Board of Directors. He shall sign stock certificates, contracts, and other instruments of the Corporation as are proper and necessary for the transaction of the ordinary business of the Corporation. △⁴⁹

CEO

SECTION 5. The Chief Operating Officer shall be in charge of the overall sales, marketing, and operations of the Corporation including the planning, directing, and coordinating the operations of the Corporation, and shall perform such other duties as are incident to his office or are properly required of him by the Board of Directors.⁵⁰

SECTION 6. The Executive Vice-President(s) and the Vice-President(s) shall constitute the senior management team of the Corporation and shall report directly to the President-Chief Executive Officer. If qualified, they shall assume such specific duties as the President-Chief Executive Officer⁵¹ may assign to them in writing, or as may be properly required of them by the Board of Directors.

Section 7. The Chairman of the Board shall, to the extent required by law or regulation, designate a Compliance Officer who shall hold the position of a Vice President or its equivalent. The Compliance Officer shall have direct reporting responsibilities to the Chairman of the Board, and shall perform the following duties: (a) monitor compliance with the provisions and requirements of the Corporation's Manual of Corporate Governance (the "Manual"); (b) appear before the Securities and Exchange

⁴⁷ As amended during the regular meeting of the Board of Directors of the Corporation held on 21 June 2007 and the special meeting of the Stockholders of the Corporation held on 26 June 2007.

⁴⁸ As amended during the regular meeting of the Board of Directors of the Corporation held on 21 June 2007 and the special meeting of the Stockholders of the Corporation held on 26 June 2007.

⁴⁹ As amended during the regular meeting of the Board of Directors of the Corporation held on 21 June 2007 and the special meeting of the Stockholders of the Corporation held on 26 June 2007.

⁵⁰ As amended during the regular meeting of the Board of Directors of the Corporation held on 21 June 2007 and the special meeting of the Stockholders of the Corporation held on 26 June 2007.

⁵¹ As amended during the regular meeting of the Board of Directors of the Corporation held on 21 June 2007 and the special meeting of the Stockholders of the Corporation held on 26 June 2007.

Commission upon summon on similar matters that need to be clarified by the same; (c) determine violation/s of the Manual and recommend penalty for violation thereof for further review and approval of the Board; (d) issue a certification as required by law or regulation on the extent of the Corporation's compliance with the Manual for the completed year, explaining the reason/s of the latter's deviation from the same; and (e) identify, monitor, and control compliance risks.⁵²

SECTION 8. The Corporate Secretary, who shall be a citizen and resident of the Philippines, shall issue all notices of regular meetings of the Stockholders and Board of Directors; keep the minutes of all meetings of the Stockholders and Board of Directors; have charge of the corporate seal and records; sign, with the President-Chief Executive Officer, such instruments as require such signature; and make such reports and perform such other duties as are incident to his office, or as may be properly required of him by the Board of Directors.⁵³

SECTION 9. The Assistant Corporate Secretary shall also be a citizen and resident of the Philippines, and in the absence or disability of the Corporate Secretary, shall act in his place and perform his duties. The Corporate Secretary may delegate any or all of his powers, duties, functions and responsibilities to the Assistant Corporate Secretary who shall always be subject to the supervision and control of the Corporate Secretary. The Assistant Corporate Secretary shall also perform such other duties as may, from time to time, be assigned to him by the Board of Directors or the President-Chief Executive Officer.⁵⁴

SECTION 10. The Chief Financial Officer, who shall report to the President-Chief Executive Officer, shall exercise the financial management function for the Corporation, including treasury management, taxation and tax planning, audit and financial compliance, banking relationships and arrangements, and such other duties consistent and typically exercised by one with the job title as may from time to time be delegated or required by the Board of Directors. Δ ⁵⁵

SECTION 11. The Treasurer shall have charge of all monies of the Corporation and shall keep regular books of account therefor. He shall sign or countersign such instruments as require his signature; perform all duties incident to his office and render such accounts, reports, and statements as may be properly required of him by the President-Chief Executive Officer⁵⁶ or the Board of Directors. Unless otherwise determined by the Board of Directors, he shall sign, in the name of the Corporation, all checks, drafts and orders for payment of money, and in case the Board of Directors shall so require, he shall give a bond satisfactory to the Board of Directors for the faithful performance of his duties.

⁵² As amended during the regular meeting of the Board of Directors of the Corporation held on 21 June 2007 and the special meeting of the Stockholders of the Corporation held on 26 June 2007.

⁵³ As amended during the regular meeting of the Board of Directors of the Corporation held on 21 June 2007 and the special meeting of the Stockholders of the Corporation held on 26 June 2007.

⁵⁴ As amended during the regular meeting of the Board of Directors of the Corporation held on 21 June 2007 and the special meeting of the Stockholders of the Corporation held on 26 June 2007.

⁵⁵ As amended during the regular meeting of the Board of Directors of the Corporation held on 21 June 2007 and the special meeting of the Stockholders of the Corporation held on 26 June 2007.

⁵⁶ As amended during the regular meeting of the Board of Directors of the Corporation held on 21 June 2007 and the special meeting of the Stockholders of the Corporation held on 26 June 2007.

SECTION 12. The officers of the Corporation shall receive such compensation and salary as may be recommended by the Compensation and Remuneration Committee ^Δ; provided, however that the power to fix the compensation and salary of the officers performing management functions, other than the officers enumerated in these By-laws, may be delegated by the Board of Directors to the President-Chief Executive Officer.⁵⁷

Article V
Δ FISCAL YEAR⁵⁸

^Δ⁵⁹

SECTION 1. The Fiscal Year of the Corporation shall commence with the opening of business on the 1st day of July of each calendar year, and shall close on the 30th day of June on the following year.

Article VI
SEAL

SECTION 1. The Corporate Seal of the Corporation shall consist of two concentric circles between which shall appear the name of the Corporation and in the center shall be inscribed the words "Incorporated 1989-Philippines".

Article VII
PROXIES

SECTION 1. Any Stockholder may be represented by proxy at any meeting of the Stockholders. ^Δ Subject to the rule on proxies and information statements under pertinent laws and rules, the proxy must be in writing, submitted to the Corporate Secretary at least three (3) days before the date of the meeting, and be substantially in the following form:⁶⁰

I hereby name, constitute and appoint _____ as my proxy to act and vote for me at the _____ meeting of the stockholders of the PEPSI-COLA PRODUCTS PHILIPPINES, INC. which will be held at Metro Manila, Philippines, on _____, 19____, or at any adjournment thereof, in the transaction of any and all business that may properly come before said meeting or meetings according to the number of votes I would be entitled to cast if personally present.

⁵⁷ As amended during the regular meeting of the Board of Directors of the Corporation held on 21 June 2007 and the special meeting of the Stockholders of the Corporation held on 26 June 2007.

⁵⁸ As amended during the regular meeting of the Board of Directors of the Corporation held on 21 June 2007 and the special meeting of the Stockholders of the Corporation held on 26 June 2007.

⁵⁹ As amended during the regular meeting of the Board of Directors of the Corporation held on 21 June 2007 and the special meeting of the Stockholders of the Corporation held on 26 June 2007.

⁶⁰ As amended during the regular meeting of the Board of Directors of the Corporation held on 21 June 2007 and the special meeting of the Stockholders of the Corporation held on 26 June 2007.

In WITNESS WHEREOF, I have hereunto set my hand this ___ day of _____, 19
___ at _____.

Stockholder's Signature

Witness:

Article VIII

INDEMNIFICATION OF DIRECTORS AND OFFICERS

The Corporation shall indemnify every director or officer, his heirs, executors and administrators, against all costs and expenses reasonably incurred by such person in connection with any civil, criminal, administrative or investigative action, suit or proceeding (other than an action by the Corporation) to which he may be, or is made a party by reason of his being or having been a director or officer of the Corporation, except in relation to matters as to which he shall be finally adjudged in such action, suit or proceeding to be liable for negligence or misconduct.

In the event of a settlement or compromise, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Corporation is advised by counsel that the person to be indemnified did not commit a breach of duty as such director or officer.

The amount payable by way of indemnity shall be determined and paid pursuant to a resolution adopted by a majority of the members of the Board of Directors.

The costs and expenses incurred in defending the aforementioned action, suit or proceeding may be paid by the Corporation in advance of the final disposition of such action, suit or proceedings as authorized in the manner provided for in the preceding paragraph upon receipt of an undertaking by or on behalf of the director or officer to repay such amount, unless it shall ultimately be determined that he is entitled to be indemnified by the Corporation as authorized in this Article.

Article IX

AMENDMENTS

SECTION 1. These By-Laws may be amended or repealed by the affirmative vote of at least a majority of the Board of Directors and of the Stockholders representing a majority of the outstanding capital stock at any Stockholders meeting called for that purpose. However, the power to amend, modify or repeal these By-Laws or to adopt new By-Laws may be delegated to the Board of Directors by the affirmative vote of Stockholders representing not less than two-thirds (2/3) of the outstanding capital stock: Provided, however, that any such delegation of powers to the Board of Directors may be

revoked by the vote of the Stockholders representing a mere majority of the outstanding capital stock at a regular or special meeting.⁶¹

⁶¹ As amended during the regular meeting of the Board of Directors of the Corporation held on 21 June 2007 and the special meeting of the Stockholders of the Corporation held on 26 June 2007.

ADOPTED this 29th day of March 1989, by the undersigned Stockholders holding all the voting stock of the Corporation, in Makati City, Metro Manila, Philippines.

(SGD.) JESUS MANALASTAS
Stockholder

(SGD.) PABLO A. DE BORJA
Stockholder

(SGD.) EDMUNDO L. TAN
Stockholder

(SGD.) EDWARD S. SERAPIO
Stockholder

(SGD.) JOSEPH T. COHON
Stockholder

CONSULATE GENERAL OF THE)
REPUBLIC OF THE PHILIPPINES)
HONG KONG SAR) S.S.

I, VICTORIO MARIO M. DIMAGIBA, JR. Consul of the Republic of the
Philippines in and for Hong Kong SAR, duly commissioned and qualified,
hereby certify that LEE KUI LAM whose
signature and seal are affixed to the annexed DIRECTOR'S CERTIFICATE
PEPSI-COLA PRODUCTS PHILIPPINES, INC. XXX

at the time he signed the document on 26 JUNE 2007
HONG KONG NOTARY PUBLIC in and for

Hong Kong SAR, and I verily believe that his signature affixed thereto is genuine.
For the contents of the annexed document, the Consulate General
assumes no responsibility.

IN WITNESS WHEREOF, I have hereunto set my hand and the seal
of the Consulate General of the Republic of the Philippines at Hong Kong SAR, this
27th day of JUNE 2007

VICTORIO MARIO M. DIMAGIBA, JR.
Consul

Attachment:

— Director's Certificate xxx

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