



Republic of the Philippines
Securities and Exchange Commission

EDSA, Greenhills, Mandaluyong
Metro-Manila

S.E.C. Reg. No. 160968

CERTIFICATE OF FILING OF AMENDED BY-LAWS

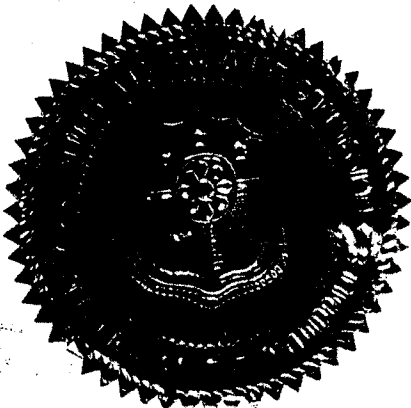
TO ALL TO WHOM THESE PRESENTS MAY COME, GREETINGS:

THIS IS TO CERTIFY that the amended By-Laws of the

PEPSI-COLA PRODUCTS PHILIPPINES, INC.

copy annexed, adopted by majority vote of the Board of Directors and the stockholders owning or representing at least a majority of all the outstanding capital stock on _____ February 1, 1999, certified to by a majority of the Board of Directors and countersigned by the Secretary of the Corporation, was ~~filed~~ ^{approved by} with this Office on the 2nd day of March, 1999 pursuant to the provisions of Section 48 of the Corporation Code of the Philippines, Batas Pambansa Blg. 68 approved on May 1, 1980, and attached to the other papers pertaining to said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of this Commission to be affixed at Mandaluyong, Metro Manila, Philippines this 2nd day of March, in the year of our Lord nineteen hundred and ninety-nine



Sonia M. Ballo
SONIA M. BALLO

Director
Corporate and Legal 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 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, 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.

Article II
STOCKHOLDERS

SECTION 1. The annual meeting of stockholders of the Corporation 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. *(As amended on 21 April 1997).*

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.

SECTION 3. 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.

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.

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. *[As amended on 1 February 1999]*

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

1. Roll Call.
2. Proofs of 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) Each Stockholder of the Corporation ("Stockholder") shall be entitled to nominate, and all the Stockholders shall cause the election to the Board of Directors of, such number of directors representing each Stockholder as shall be proportional to the percentage of outstanding shares which such Stockholder shall own in the Corporation; provided, that if the shareholdings of PepsiCo Global Investments II B.V. ("PGI") in the Corporation shall fall to a level which will no longer allow PGI to elect one (1) director representing PGI, then for so long as the Exclusive Bottling Appointments granted by PepsiCo, Inc. or its affiliate 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, MIRINDA, MOUNTAIN DEW, DIET 7UP and 7UP (the "Appointments") remain effective, all the Stockholders shall cause the election or appointment to the Board of Directors of at least one (1) nominee of Pepsi-Cola Far East Trade Development Co., Inc. ("FET") as *ex-officio* director on the condition that FET owns at least one (1) share of the total outstanding shares of the Corporation. [As further amended on 1 February 1999]

(b) Each Stockholder shall be entitled to nominate, and all the Stockholders shall cause the election to committees created by the Board of Directors from time to time, such number of representatives representing each Stockholder as shall be proportional to the percentage of outstanding shares which such Stockholder shall own in the Corporation; provided that, if the shareholdings of PGI in the Corporation shall fall to a level which will no longer allow PGI to elect one (1) director representing PGI, then FET shall be entitled to nominate, and all the Stockholders shall cause the election of, at least one (1) *ex-officio* representative of FET to such committee for so long as the Appointments remain effective, on the condition that FET owns at least one share of the total outstanding shares of the Corporation. [As further amended on 1 February 1999]

(c) A Stockholder shall be entitled to nominate the replacement(s) for the director(s) or member(s) of committees created by the Board of Directors from time to time, who were nominated by such Stockholder or director representing such Stockholder (as the case may be). A majority of the remaining directors, it still constituting a quorum (or, in the event the remaining directors do not constitute a quorum, all the Stockholders) shall vote to elect that replacement(s) so nominated.

Any election or appointment of directors or committee members in violation of or not in conformity with the foregoing subparagraphs shall be null and void ab initio.

SECTION 8. No Stockholder shall own, directly or indirectly, any equity in any business which competes or will compete with the bottling business to be undertaken by the Corporation under the Appointments ("competing company"); provided, however, that nothing herein shall be construed as preventing or prohibiting any Stockholder from owning or holding not more than two percent (2%) of the entire outstanding shares of stock in any competing company listed in the stock exchanges, and provided further, that a Stockholder's holdings of such shares shall not allow such Stockholder to participate directly in the management of such listed competing company. For purposes of this provision, a Stockholder, if it is a corporation, shall include shareholders thereof owning at least ten percent (10%) of the total outstanding capital stock in such stockholder. In the event a Stockholder shall have violated the provisions of this Section, such Stockholder (the "erring Stockholder") shall within a period of thirty (30) days from written notice by the Corporation, dispose of this equity interest in the competing company or otherwise rectify the violation complained of, and if the erring Stockholder fails to satisfactorily rectify the violation, all shareholder rights (including but not limited to voting rights and

right to dividends) of such erring Stockholder shall be automatically suspended while the violation remains unrectified, and the Corporation shall, in any event, be entitled to recover liquidated damages from such erring Stockholder in an amount equivalent to treble the fair market value or the net book value of his shareholdings in the competing company (based on its latest audited financial statements), whichever is higher. *(As amended on 4 September 1989).*

SECTION 9. A Stockholder shall not constitute or create any lien or encumbrance on his shares of stock in the Corporation, without prior written notice to the Corporate Secretary of the Corporation; provided that, under no circumstance shall the Stockholder, in conjunction with the creation or constitution of any such lien or encumbrance, transfer the voting rights arising from his ownership of shares of stock in the Corporation, whether by proxy, voting trust or otherwise; and provided further, that unless otherwise agreed to by all the Stockholders, the proceeds of any borrowings secured by such lien or encumbrance shall not be used to fund any equity investment in the Corporation. Any foreclosure sale or other disposition of shares arising from any such encumbrance shall be subject to the provisions of Section 13 below and shall be without prejudice to paragraphs 22 and 23 of the Appointments. *(As amended on 4 September 1989).*

SECTION 10. Except for transfers of qualifying shares to or from any nominee-director, and transfers from any Stockholder to an affiliate (as used herein, "affiliate" shall mean an entity that directly or indirectly, through one or more intermediaries, controls or is controlled by, or is under common control with, the Stockholder, ownership of fifty-one percent (51%) of the voting capital stock of an entity constituting control and subject to Section 11, any Stockholder (the "Selling Stockholder") desiring or intending to sell, transfer, or otherwise dispose of his/its shares in the Corporation or any portion thereof (the "Offered Shares") shall at least 50 days before the intended sale, transfer or disposition, send written notice thereof to the Corporate Secretary of the Corporation. The said notice shall offer to sell the Offered Shares to the other Stockholders (the "Offerees"), in proportion to their existing shareholdings in the Corporation [i.e., the proportion of the existing shareholdings of each and any Offeree to all the shareholdings of all the Offerees], at the same price offered in writing by or to a third party bona fide purchaser, or in the absence of a bona fide purchaser, at a price equal to fair market value of the Offered Shares as of the date of the offer. The Corporate Secretary shall immediately transmit the written offer (the "First Offer") to each of the Offerees. The Offerees shall have a period of twenty (20) days from their receipt of the First Offer within which to accept the First Offer; the Offerees may signify acceptance of the First Offer by written notice to the Corporate Secretary and by tender to the Selling Stockholder of payment in full for the portion(s) of the Offered Shares being purchased by them, within the said 20-day period. *(As amended on 21 April 1997).*

In the event any Offeree does not elect to purchase his pro-rata share of the Offered Shares, the other Offerees who shall have accepted their respective allocations of the First Offer shall have the right, within five (5) days after receipt of written notice of such fact from the Selling Stockholder, to purchase the shares not previously taken up. *(As amended on 21 April 1997).*

After the lapse of the aforesaid twenty (20) day period or five (5) day period, as the case may be, the Offered Shares, or such portion thereof not purchased by the Offerees, may be sold by the Selling Stockholder to such third party bona fide purchaser, or, in the absence thereof, to any person, at such price and on such terms as are not more favorable than those contained in the First Offer. ✍

Any Offeree may assign his right to purchase the Offered Shares to any person or entity acceptable to all of the Offerees.

The foregoing provision shall be without prejudice to paragraphs 22 and 23 of the Appointments.
(As amended on 4 September 1989).

SECTION 11. In the event FET and/or PGI for any reason decides to dispose of its shareholdings (or any part thereof) in the Corporation, FET and/or PGI shall first offer to sell the same to Guoco Group Limited ("GGL") and Guoco Holdings (Philippines), Inc. ("GHPI") before offering said shares for sale to the other Stockholders. at the same price and terms and conditions offered by FET and/or PGI to a bona fide third party, or in the absence thereof, at a price equal to the fair market value as of the date of the offer. GGL and/or GHPI may assign its right of first refusal to Guoco Brands International, Inc. ("GBII") and/or Hong Way Holdings, Inc. ("HWHI") and/or Guoco Assets (Philippines), Inc. ("GAPI") or to any third party(ies) within twenty (20) days of receipt of the offer from FET and/or PGI, on the condition that such third party(ies) shall be acceptable to FET and/or PGI. GGL and/or GHPI and/or GBII and/or HWHI and/or GAPI or such third party(ies) acceptable to FET and/or PGI may accept the offer by written notice to FET and/or PGI and by tender of payment of the purchase price in full for the shares being purchased by it/them within the same 20-day period. In the event that FET and/or PGI shall fail to receive within the said 20-day period, written notice of GGL's and/or GHPI's acceptance of the offer and/or full payment of the shares which GGL and/or GHPI and/or GBII and/or HWHI and/or GAPI or the third party(ies) wish to purchase, FET and/or PGI shall offer to sell its shares to the other Stockholders (including any company belonging to the Guoco Group of Companies as defined under Article III, Section 12 hereof) or to third party purchaser (as the case may be) in accordance with subparagraph (g) above. This subparagraph (h) shall be subject to and shall be without prejudice to paragraphs 22 and 23 of the Appointments. [As further amended on 1 February 1999]

SECTION 12. The preferential right of PepsiCo, Inc. under paragraphs 22 and 23 of the Appointments shall be superior to the right of first refusal granted under Sections 10 and 11. In the event that PepsiCo, Inc. does not exercise its preferential right under paragraphs 22 and 23 of the Appointments over all the shares intend for sale, then the balance of such shares shall be subject to the right of first refusal under Sections 10 and 11. (As amended on 4 September 1989).

SECTION 13. No foreclosure, sale or other disposition of shares in the Corporation arising from any pledge or other encumbrance of such shares (the "Pledged Shares") shall be validly made until after the lapse of sixty (60) days from and after the date the creditor/pledgee concerned shall have furnished notice in writing to the Corporate Secretary of the Corporation regarding the default or breach of the principal obligation or the security document concerned, together with the amount and other particulars of the obligation secured by such pledge/encumbrance (the "Credit"), and the number of Pledged Shares involved. Such notice shall be deemed an irrevocable authorization from the debtor/stockholder and the creditor/pledgee to the Corporate Secretary to (and it shall be the duty of the latter to) forthwith offer in writing to the other stockholders (the "Redeeming Stockholders") the right, within a period of ten (10) days from and after receipt of the Secretary's notice, to purchase the Pledged Shares for an amount equal to the Credit plus accrued interest and penalties/charges, if any. The Redeeming Stockholders shall be entitled to purchase such Pledged Shares in proportion to their shareholdings (excluding the

shareholdings of the pledgor/debtor) and to tender payment in full for their respective shares to the Corporate Secretary; provided, that, if not all of the Pledged Shares are taken up within the 10-day period aforesated, the Redeeming Stockholders shall have another ten (10) days within which to make additional offers to purchase any Pledged Shares not previously taken up.

The foregoing notwithstanding, if the Pledged Shares are in such number as to cause a transfer of effective ownership control or management control if foreclosed, then FET shall have the preferential right (superior to that of the other Redeeming Stockholders) to purchase the Pledged Shares in accordance with paragraph 23(b) of the Appointments. The balance of the Pledged Shares may be purchased by the other Redeeming Stockholders within ten (10) days from the Secretary's notice, in accordance with the foregoing provisions of this Section.

Payment/s for Pledged Shares being purchased shall be remitted to the Corporate Secretary and shall be in such amount/s as will be obtained by dividing the number of Pledged Shares being purchased by the total number of Pledged Shares, and then multiplying the result by the total amount of the Credit plus accrued interest and penalties.

If the total number of Pledged Shares is not fully taken up, then the creditor/pledgee may, upon notice thereof from the Corporate Secretary, proceed to foreclose on the balance of the Pledged Shares not taken up, after first surrendering to the Corporate Secretary the stock certificates representing the number of Pledged Shares purchased in accordance with the foregoing provisions, and executing a partial discharge/release of the Credit, to the extent of the amount paid therefor. In such instance, the creditor/pledgee shall be deemed to have irrevocably waived the effects of Article 2089 of the Civil Code of the Philippines.

The Corporate Secretary shall forthwith remit the total amount paid in by the Redeeming Stockholders to the creditor/pledgee, who shall execute a pro tanto discharge/release of the Credit and surrender to the Corporate Secretary the stock certificates representing all of the Pledged Shares so purchased by the Redeeming Stockholders; provided, however, that, whether or not the creditor/pledgee surrenders said stock certificates or issues the discharge/release, the Secretary shall be deemed authorized and empowered to cancel the said stock certificates and issue new stock certificates in favor of each of the Redeeming Stockholders, for such number of shares as each of them had purchased. The documentary stamp taxes for the transfer of the Pledged Shares shall be for the account of the Redeeming Stockholders.

Any Redeeming Stockholder may assign his right to purchase the Pledged Shares or any portion thereof to any person or entity acceptable to all of the stockholders.

The foregoing provisions shall be without prejudice to paragraphs 22 and 23 of the Appointments. (As amended on 4 September 1989).

SECTION 14. Any transfer, encumbrance or other disposition of shares in the Corporation which does not comply with or is in violation of Sections 9, 10, 11, 12 and 13 above shall be null and void ab initio and shall not be registered or registrable in the books of the Corporation. Notwithstanding the provisions hereof, for so long as the Appointments remain effective and for one (1) year following the expiration, termination or transfer of the Appointments, no share in the Corporation can be transferred

any manner to a competitor of PepsiCo, Inc., in particular any person or entity which is directly or indirectly affiliated with Coca-Cola Company or Cosmos and any share so transferred shall likewise be null and void ab initio and shall not be registered or registrable in the books of the Corporation. The restrictions set forth in said Sections shall be incorporated by reference in all stock certificates issued by the Corporation. (As amended on 4 September 1989, 21 April 1997 and 1 February 1999).

SECTION 15. Any put, call and/or other option and/or transfer obligation which may be imposed on the shares in the Corporation by virtue of (i) any agreement among the Corporation and/or PepsiCo, Inc. and/or PGI and/or GHPI and/or GGL on file with the Corporate Secretary of the Corporation, or (ii) the Appointments, shall be superior to any other right, preference or restriction applicable to those shares by virtue of these By-Laws, including in particular the right of first refusal created by Article II, Section 10 hereof. [As amended on 1 February 1999].

Article III DIRECTORS

SECTION 1. The Business and Property 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. 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 Officer and the senior management team, and approve the Annual Operating Plan. [As amended on 1 February 1999]

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 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 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. (As amended on 4 September 1989).

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

SECTION 8. 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 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 9. The Board of Directors may create and appoint an Executive Committee and such other committees as it may deem necessary or convenient.

The Executive Committee shall be composed of six (6) members, namely, the President-Chief Executive Officer, the Chief Financial Officer, two (2) nominees of GHPI, one (1) nominee of GGL, and one (1) nominee of PGI. The Chairman of the Executive Committee shall be nominated by GHPI and GGL in consultation with PGI. The Executive Committee shall meet at least once a month, and shall review the detailed financial and 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.

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 act by vote of a majority of the members thereof. 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 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. *[As amended on 4 September 1989, and as further amended on 1 February 1999]*

SECTION 10. 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 stockholders 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 paid bonuses in such amount and manner as the stockholders may from time to time fix and determine; provided, further, that the Directors who serve as 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.

SECTION 11. For so long as the Appointments remain effective, the affirmative vote of FET, as a stockholder, shall be required for the validity of the following acts:

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

(2) Expanding the range of product to be produced, sold or distributed by the Corporation to include any product not licensed to the Corporation by PepsiCo, Inc. or its affiliate without the prior affirmative written consent of PepsiCo., Inc. *(As amended on 21 April 1997 and 1 February 1999)*

SECTION 12. At any board of directors or stockholders' meeting of the Corporation, the affirmative vote of PGI, GGL and GHPI (or their successors-in-interest), or their prior approval in writing, shall be required for the validity of any of the following acts:

- (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 not contemplated in the relevant Annual Operating Plan;
- (3) Substantial change in the business activities of the Corporation not contemplated in the relevant Annual Operating Plan;
- (4) Any external borrowing by the Corporation not contemplated 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 company within the Guoco Group of Companies or any affiliate of any such company;
- (6) Any change in the capital structure of the Corporation not contemplated by the relevant Annual Operating Plan;
- (7) Any related party transaction involving the Corporation and any company in the Guoco Group of Companies or any company affiliated with any company in the Guoco Group of Companies which are (i) other than on commercial, arm's length terms, or (ii) are in excess of the equivalent of US\$1,000,000.00;
- (8) Granting by the Corporation of any warrants, conversion rights or other contingent rights to equity not contemplated by the relevant Annual Operating Plan;
- (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 relevant capital adequacy ratios and the applicable Operating Targets as set out in the then current Annual Operating Plan.

"Guoco Group of Companies" means GGL, GHPI or any company which is an affiliate or subsidiary of either GGL or GHPI. [As amended on 1 February 1999]

Article IV
OFFICERS

SECTION 1. The officers of the Corporation shall be a Chairman of the Board, a Vice-Chairman, a President-Chief Executive Officer, 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. *[As amended on 1 February 1999]*

SECTION 2. The Chairman of the Board shall preside at all meetings of the Board of Directors and stockholders. *[As amended on 1 February 1999]*

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. *[As amended on 1 February 1999]*

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 he shall develop the Annual Operating Plan jointly with GHPI and GGL (or their successors-in-interest) and PGI, 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. The President-CEO, who shall be nominated by GHPI and GGL (or their successors-in-interest) in consultation with PGI, shall report to the Executive Committee. *[As amended on 1 February 1999]*

SECTION 5. 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 may assign to them in writing, or as may be properly required of them by the Board of Directors. They shall be nominated by GHPI and GGL (or their successors-in-interest) in consultation with PGI. *[As amended on 1 February 1999]*

SECTION 6. 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, 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.

SECTION 7. 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.

SECTION 8. 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. The Chief Financial Officer shall be nominated by PGI in consultation with GHPI and GGL (or their successors-in-interest). [As amended on 1 February 1999]

SECTION 9. 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 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.

SECTION 10. The officers of the Corporation shall receive such compensation and salary as may be fixed by the Board of Directors; provided, however that the power to fix the compensation and salary of the officers, other than the President, performing management functions, may be delegated to the President.

Article V
DIVIDENDS AND FINANCES

SECTION 1. Dividends shall be declared only from the surplus profits arising from the Corporation's business, at such times as the Board of Directors shall fix, but no dividends shall be declared that will impair the capital of the Corporation. After 22 December 1999, the Corporation may declare and pay dividends only up to 50% (or such other percentage as may be reset by the Board of Directors) of its net profits (after allowing for provisions and other requirements of the Annual Operating Plan) on condition that it complies with the relevant capital adequacy ratios and the applicable Operating Targets as set out in the then current Annual Operating Plan. [As amended on 21 April 1997 and on 1 February 1999].

SECTION 2. The monies of the Corporation shall be deposited in its name in such bank or banks as the Board of Directors shall designate and shall be drawn by check signed by the Treasurer, or by such other officers as the Board of Directors may designate.

SECTION 3. 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. (As amended on 21 April 1998).

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 of the Corporation. 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:

"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.

"IN WITNESS WHEREOF, I have hereunto set my hand this _____ day of _____, 19____ at _____."

Stockholder's Signature

Witness:

[As amended on 21 April 1997]

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 indemnify 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.

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

(SGD.) JESUS M. MANALASTAS
Stockholder

(SGD.) PABLO A. DE BORJA
Stockholder

(SGD.) EDMUNDO L. TAN
Stockholder

(SGD.) EDWARD S. SERAPIO
Stockholder

(SGD.) JOSEPH T. COHON
Stockholder