

- (5) In the event that the Board of Directors fail to respond to the Call for Special Stockholders' Meeting within twenty (20) days from receipt of the request, the Qualifying Stockholder/s may avail of the remedy provided under paragraph 7, Section 49 of the RCC.

The Qualifying Shareholders may avail of the same remedy if the Board of Directors refuses to call a meeting under Section (4) above.

- (6) Any officer or agent of the corporation who shall refuse to allow a Qualifying Shareholder to exercise his/her right to call a meeting shall be liable under Section 158 of the RCC: *Provided*, that if such refusal is made pursuant to a resolution or order of the Board of Directors, the liability under this section for such action shall be imposed upon the directors who voted for such refusal; *Provided further*, that it shall be a defense to any action under this Memorandum Circular that the shareholder exercising any of these rights was not acting in good faith or in accordance with the requirements of this Memorandum Circular; *Provided furthermore*, that delay in the processing of such requests shall be equivalent to refusal if the delay is solely caused by negligence on the part of the corporation.

If, after due notice and hearing, the Commission finds that any provision of this Memorandum Circular has been violated, or that any of the right hereunder has been abused, the Commission may impose any or all of the sanctions provided under Section 158 of the RCC.

This Memorandum Circular shall take effect upon its publication in two (2) newspapers of general circulation in the Philippines.

Pasay City, Philippines, 23 April 2021.

For the Commission:


EMILIO B. AQUINO
Chairperson

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OFFICE OF THE COMMISSION SECRETARY
SEC By: _____
Date 23 April 2021
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