

[PRESIDENTIAL DECREE NO. 1071, January 25, 1977]

REVISING THE CHARTER OF THE PHILIPPINE INTERNATIONAL TRADING CORPORATION

I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers vested in me by the Constitution, do hereby order and decree, as part of the law of the land, the Revised Charter of the Philippine International Trading Corporation as follows:

"THE REVISED CHARTER OF THE PHILIPPINE INTERNATIONAL TRADING CORPORATION"

"SECTION 1. *Title of this Decree.* — This Decree shall be known as the Revised Charter of the Philippine International Trading Corporation.

"SECTION 2. *Name, Domicile and Place of Business.* — There is hereby created a body corporate to be known as the Philippine International Trading Corporation, hereinafter referred to as the Corporation, which shall exist for fifty years and shall have its principal office in Metro Manila.

"SECTION 3. *Capitalization.* — The authorized capital stock of the Corporation shall be two hundred million pesos (P2,000,000.00), to be divided into two million (2,000,000) shares at par value of one hundred pesos (P100.00) per share to be subscribed as follows: forty per cent (40%) representing eight hundred thousand (800,000) shares valued at eighty million pesos (P80,000,000.00) by the Republic of the Philippines; ten per cent (10%) representing two hundred thousand (200,000) shares valued at twenty million pesos (P20,000,000.00) by the Development Bank of the Philippines; ten per cent (10%) representing two hundred thousand (200,000) shares valued at twenty million pesos (P20,000,000.00) by the Philippine National Bank; and the remaining forty per cent (40%) representing eight hundred thousand (800,000) shares valued at eighty million pesos (P80,000,000.00) by the public at not less than the par value. For the total subscription of the Republic of the Philippines, the amount of forty million pesos (P40,000,000.00) is hereby appropriated out of the funds in the National Treasury, which amount or any portion thereof shall be released to the Corporation upon the approval of the President of the Philippines: Provided, that, the subscription of the Development Bank of the Philippines and the Philippine National Bank shall be paid to the Corporation at such time and for such amounts as shall be requested by the Board of Directors of the Corporation: Provided, further, that, the disposition of the shares available to the public shall be made in such a manner as to result in the widest distribution thereof as possible to individuals or organized businessmen representing specific industries or products without stockholder owning more than one percent (1%) of the total stock offered for subscription to the public and no single group representing one specific industry or product shall own more than five per centum (5%) of such share unless approved by the Board: And, Provided, finally, That, proxy voting is hereby authorized but under no agreement, contract, arrangement, scheme or plan, shall a proxy holder be allowed to represent more than per cent (1%) of the stocks offered to the public for subscription.

"Any disposition of shares of stock of the Corporation which will change the proportion of capital distribution among the National Government, Philippine National Bank, Development of the Philippines, and the public shall be null and void unless previously approved by the President of the Philippines upon recommendation of the Board of Directors. Likewise, no transfer of shares of stock subscribed by the public shall be allowed to be registered in the books of the Corporation which will violate the limitations in the next preceding paragraph unless the same is previously approved by the Board of Directors of the Corporation.

"The President of the Philippines may increase the authorized capital stock of the Corporation upon recommendation by the Board of Directors of the Corporation. The Board of Directors shall recommend such increase upon approval by the affirmative vote of stockholders holding at least two-thirds (3/2) of the subscribed capital stock of the Corporation in a special meeting called for the purpose.

"SECTION 4. *Voting Power of Government Shares.* — The voting power of all the stocks owned and controlled by the Republic of the Philippines shall be vested in the President of the Philippines or in such person or persons as he may from time to time designate.

CORPORATE POWERS AND FUNCTIONS

"SECTION 5. *Purposes of the Corporation.* — The Corporation is hereby authorized:

"(a) To engage in or handle for Philippine and third country enterprises through methods, systems, devices and facilities intended to achieve economies of scale and better terms of trade for Philippine business, both foreign procurement as well as foreign marketing and distribution;

"(b) To arrange for or established comprehensive facilities for handling all phases of warehousing and to develop and operate physical facilities for the collection, processing and distribution of cargoes and other commodities;

"(c) To obtain or arrange more comprehensive protection for activities undertaken or commodities dealt with by monitoring or coordinating risk insurance services for existing institutions or supplementing the same;

"(d) To employ, utilize, monitor trade promotion services, facilities and activities being undertaken by government or private agencies;

"(e) To promote or organize, whenever warranted, production enterprises and industrial establishment and to collaborate or associate in joint venture with any person, association, company, or entity, whether domestic or foreign, in the fields of production, marketing, procurement, and such other related business;

"(f) To provide technical, advisory investigatory, consultancy and management services with respect to any or all of the functions, activities and operations of the corporation; and,

"(g) In general, to undertake such activities as would be appropriate to an institution created for the purposes of international trading.

"SECTION 6. Powers of the Corporation. — In order to attain its purposes and objectives, the Corporation shall have the following powers:

"(a) To engage in and carry on the business of dealership, brokerage, manufacture and distribution of commodities, products, goods, wares, merchandise, machineries and equipment and in connection therewith to purchase, borrow, acquire, hold, exchange, sell, distribute, lend, mortgage, pledge or otherwise dispose of, import or export, process or turn to account in any lawful manner, commodities, products, goods wares, merchandise, and other article of commerce and interest therein or instrument evidencing rights to acquire such interest and to guarantee any all obligations relating to transactions made on any board of trade, commodities exchanged, or similar institutions, and to do any all things which may be useful in connection with or incidental to the conduct of such business;

"(b) To build, make, construct, maintain, purchase, sell, charter, deal in and with, own, lease, pledge, and otherwise dispose of all modes of transportation, together with all components, tools, machinery and appliance appurtenant thereto as are utilized in the transport of goods and merchandise by air, land or sea;

"(c) To carry on the business of public and private warehousing and all business necessarily or impliedly incidental thereto, and to further carry on the business of general warehousing in all its several aspects; to construct, hire, purchase, operate and maintain any means or conveyances for the transportation to and from storage, by air, land or water, of any and all products, goods, wares, merchandise or manufactured articles, to issue certificates, warrants and receipts, negotiable or otherwise, to persons warehousing goods with the Corporation, and to make negotiate or secure advances or loans upon the security of such stored merchandise and products or otherwise to construct, purchase, take or lease, develop, operate or otherwise acquire any wharf, pier, dock, warehouse, storage room or other facilities, rights, franchises, premises deemed capable of being advantageously used in connection with the business of the Corporation, and to rent, lease, hypothecate and convey the same, and generally to carry on and undertake and all business activity, transaction or operation commonly carried on or undertaken by warehousemen;

"(d) To act as shipping agent and ship broker, to handle ship husbanding and ship chandlery, and to engage in any aspect for the business of longshoring, lighterage, stevedoring, freight forwarding, packing and carting, and conveying;

"(e) To borrow, raise, or obtain funds to support or carry out its objects and purposes and/or to arrange financing or equipment credit or any kind of financial or material assistance for its own account or its clients from any financial or lending institutions, local or foreign, and to secure any or all of the same, to the extent that may be required such as by any lawful guaranty or counter-guaranty by pledge, mortgaged or deed of trust, or by creating or suffering to exist a charge, lien or encumbrance, general or special, upon its revenues and/or assets, and likewise by similar

guaranties, pledges, mortgages, liens and other security arrangements to secure the performance by the Corporation by any obligation or liability it may undertake for itself or for other companies or enterprises in which it may be interested. Such loans obtained under this authority shall be guaranteed by the government in accordance with existing regulations;

"(f) To provide financial accommodations to its clients, and maintain with or for customers' accounts with respect to commodities and/or securities including margin accounts and to do such things as may be requisite or appropriate or incidental to the maintenance for such accounts;

"(g) To act as agents or brokers in the business of marine, fire, life, accident and fidelity insurance, in the business of giving protection to principals and employers and any other kind or class of insurance in all its branches;

"(h) To organize and incorporate subsidiaries whose capital stock may be subscribed in whole or in part by the Corporation; Provided, however, that the controlling interest of not less than sixty per cent (60%) of the authorized capital stock of such subsidiaries shall at all times remain with the Corporation: Provided, finally, that the organization and incorporation of such subsidiaries shall be subject to prior approval of the President of the Republic of the Philippines;

"(i) To establish, maintain, operate or conduct branch business for the transaction of business for itself and on behalf of other persons, firms, corporations, or other entities, either domestic or foreign, and to act as manufacturer's agents, commission merchants, merchandise brokers, insurance, shipping and transport agents, or in any other representative capacity for persons, firms, corporations or other entities, either domestic or foreign, for the investment, loan payment, transmission or collection of money, commodities or securities and for the purchase, sale, improvement, development and management of property including business concerns and undertaking and generally to transact and undertake an agency business, whether in aspect of any commercial or financial matters;

"(j) To undertake or contract for researchers, studies and surveys on any subject of interest to the Corporation including but not but not limited to such matters as business and economic conditions of various countries, including the structure of their commodities and financial markets, the institutional arrangements for mobilizing investments thereat, the legal and tax constraints and tax incentives obtaining therein; to promote products overseas through holding of trade fairs, exhibits and the like, coordinating with the Department of Trade in undertaking such activities;

"(k) To acquire an interest in or to enter into partnership, amalgamate with or enter into other arrangements for sharing profits, mutual assistance or cooperation with any person or company carrying on or about to carry on or engage in any business transaction, operation or work capable of being conducted so as to purchase, take or otherwise acquire and hold shares of stock or other securities of or interest in any

such company and to sell, hold and re-issue with or without guaranty or otherwise deal with the same;

"(l) Subject to the limitations established by law, to acquire by purchase, subscription, exchange, assignment, gift, or otherwise, and to sell, assign, transfer, exchange, mortgage, pledge, and deal in and with, and otherwise, to enjoy and dispose of, any bonds, debentures, promissory notes, shares of capital stock and/or other securities and/or obligations, created, negotiated or issued by any corporation, association, or other entity, foreign or domestic, and while the owner thereof, to exercise all the rights, power and privileges of ownership, including the right to receive, collect and dispose of any and all dividends, interest and income, derived therefrom, and the right to vote on any shares of the capital stock, and upon any bonds, debentures and/or other securities, having voting power so owned;

"(m) To cause or allow the legal title to or any legal or equitable interest in any business or any real or personal property acquired or carried on by the Corporation to remain or be vested or registered in the name of any other person or entity whether upon trust for as agent nominee of the Corporation or upon such other terms and conditions which may be determined to be necessary or expedient by the Board of Directors of the Corporation;

"(n) To acquire by purchaser or lease, or otherwise, lands and interest in lands and to own, hold, improve, develop, and manage any real estate so acquired and to erect or cause to be erected on any lands owned, held or occupied by the Corporation, buildings or other structures with their appurtenances, and to rebuild, enlarge, alter or improve any buildings or other structures now or hereafter erected on any lands so owned or occupied;

"(o) To purchase, own, hold, or otherwise acquire such machineries, equipment, tools, materials, supplies, or other parts as may be necessary, convenient or appropriate for any of the purposes for which the Corporation is formed;

"(p) To invest and deal with the funds of the Corporation in such manner as may be deemed proper, in order not to make such funds idle and unproductive pending their full utilization for the principal objects and purposes for which the Corporation has been organized;

"(q) To apply for, register, purchase or otherwise acquire, or obtain a lien, on or interest in, any patent, patent rights, licenses, designs, processes, trademarks, tradenames, distinctive marks, invention, and improvements thereof, and concessions which may appear likely to be advantageous or useful to the Corporation or its clients; to use, exercise or otherwise turn to account said property, rights, and to enter into know-how and data or process feedback agreements, including the use of computers, as the same may be related to or necessary or appropriate to carry on the objects and purposes of the Corporation;

"(r) To pay for any property or rights acquired or services obtained by the Corporation either in cash, shares, or other securities of the Corporation,