

[REPUBLIC ACT NO. 3531, June 20, 1963]

AN ACT TO FURTHER AMEND SECTION EIGHTEEN OF THE CORPORATION LAW, ACT NUMBERED ONE THOUSAND FOUR HUNDRED AND FIFTY-NINE, AS AMENDED.

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. Section eighteen of Act Numbered One thousand four hundred and fifty-nine, as amended, is herein further amended to read as follows:

"SEC. 18. Any corporation may for legitimate corporate purpose or purposes amend its articles of incorporation by a majority vote of its board of directors or trustees and the vote or written assent of two-thirds of its members if it be a non-stock corporation, or if it be a stock corporation, by the vote or written assent of the stockholders representing at least two-thirds of the subscribed capital stock of the corporation: *Provided, however,* "That if such amendment to the articles of incorporation should consist in extending the corporate existence, or any change in the rights of holders of shares of any class, or would authorize shares with preferences in any respect superior to those of outstanding shares of any class, or would restrict the rights of any stockholder, then any holder who did not vote for such corporate action within forty days after the date upon which such was authorized, object thereto in writing and demand payment for his shares. If, after such a demand by a stockholder, the corporation and the stockholder cannot agree upon the value of his share or shares at the time such corporate action was authorized, such value shall be ascertained by three disinterested persons, one of whom shall be named by the stockholder, another by the corporation, and the third by the two thus chosen. The findings of the appraisers shall be final, and if their award is not paid by the corporation within thirty days after it is made, it may be recovered in an action by the stockholder against the corporation. Upon payment by the corporation to the stockholder of the agreed or awarded price of his share or shares, the stockholder shall forthwith transfer and assign the share or shares held by him as directed by the corporation: *Provided, however,* That their own shares of stock purchased or otherwise acquired by banks, trust companies, and insurance companies should be disposed of within six months after acquiring title thereto.

"Unless and until such amendment to the articles of incorporation shall have been abandoned or the action rescinded, the stockholder making such demand in writing shall cease to be a stockholder and shall have no rights with respect to such shares, except the right to receive payment therefor as aforesaid.