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Republic of the Philippines
SECURITIES AND EXCHANGE COMMISSION
SEC Building, EDSA, Mandaluyong City
Metro Manila
CEBU EXTENSION OFFICE
Cebu City

SEC Reg. No. C199800134

CERTIFICATE OF INCORPORATION

KNOW ALL MEN BY THESE PRESENTS:

This is to certify that the Articles of Incorporation and By-Laws of

ABOITIZ POWER CORPORATION

were duly registered by the Commission on this date upon the issuance of this Certificate of Incorporation in accordance with the Corporation Code of the Philippines (Batas Pambansa Blg. 68), approved on May 1, 1980 and copies of said Articles and By-Laws are hereto attached.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of this
Commission to be affixed at Cebu City, Philippines, this 13th day
of February, Nineteen Hundred and Ninety-eight.

BY AUTHORITY OF THE COMMISSION


MERLE P. CUNANAN
Chief
SEC Cebu Office

Per SEC Office Order No. 9, Series of 1983

ARTICLES OF INCORPORATION
OF
ABOITIZ POWER CORPORATION

97 OCT 28 12:30 P.M. 30
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OFFICE

KNOW ALL MEN BY THESE PRESENTS:

That we, all of legal age, citizens and residents of the Republic of the Philippines, have this day voluntarily associated ourselves together for the purpose of forming a stock corporation under the laws of the Philippines.

AND WE HEREBY CERTIFY:

FIRST: That the name of the said corporation shall be:

ABOITIZ POWER CORPORATION

SECOND: That the purposes for which the said corporation is formed are:

PRIMARY PURPOSE


To invest in, hold, own, purchase, acquire, lease, contract, operate, improve, develop, manage, grant, sell, exchange, or otherwise dispose of real personal properties of every kind and description, including shares of stock, bonds and other securities or evidence of indebtedness of any electricity generation and/or distribution or hydropower facility, corporation, partnership, association, firm, or entity, domestic or foreign, where necessary or appropriate and to possess and exercise in respect thereof all the rights, powers, and privileges of ownership, including all voting powers of any stock so owned, without acting as or engaging in the business of an investment company, or dealer or broker in securities; to act as managers or managing agents of persons firms, associations, corporations, partnerships and other entities engaged in the electricity generation and/or distribution, hydropower or related businesses; to provide management, investment and technical advice for commercial, industrial, manufacturing and other kinds of enterprises engaged in the electricity generation and/or distribution, hydropower or related businesses; to undertake, carry on, assist or participate in the promotion, organization, management, liquidation, or reorganization of corporations, partnerships and other entities engaged in the electricity generation and/or distribution, hydropower or related businesses; to develop, construct, own, lease and operate electricity generation and/or distribution and/or hydropower plants or related businesses; to engage in build-operate-transfer arrangements with the government, its branches, agencies and instrumentalities, and any non-government entity; act as consultants, contractors or principals in the business of developing, constructing, operating, repairing and maintaining of hydropower plants and systems and other power-generating or converting stations and in the manufacture, operation and repair of associated mechanical and electrical equipment; to carry on the general business of manufacture, generation, and/or transmission of electric power in accordance with existing laws, rules and regulations; and to carry on all business necessary or incident to all the foregoing.

SECONDARY PURPOSES

1. To acquire or obtain from any government or authority, national, provincial, municipal or otherwise, or any corporation, company or partnership or person, such charter, contracts, franchise, privileges, exemption, licenses and concession as may be conducive to any of the objects of the corporation;
2. To offer shares of its original or increased capital stock to the public for subscription and increased capitalization, subject to the requirements provided by law;
3. To acquire and hold water and flowage rights;
4. To construct, erect, purchase, install, operate and sell electric light plants, ice making plants, systems for pumping water for individuals, corporations and/or municipalities, cold storage plants, water distilling plants, machine shops, foundries, and slipways, and to sell and distribute the products or results of any such plants or systems.
5. To purchase, acquire, own, lease, sell and convey real properties such as lands, buildings, factories and warehouses and machineries, equipment and other personal properties as may be necessary or incidental to the conduct of the corporate business, and to pay in cash, shares of its capital stock, debentures and other evidences of indebtedness, or other securities, as may be deemed expedient, for any business or property acquired by the corporation.
6. To borrow or raise money necessary to meet the financial requirements of its business by the issuance of bonds, promissory notes and other evidence of indebtedness, and to secure the repayment thereof by mortgage, pledge, deed of trust or lien upon the properties of the corporation or to issue pursuant to law shares of its capital stock, debentures and other evidence of indebtedness in payment for properties acquired by the corporation or for money borrowed in the prosecution of its lawful business;
7. To invest and to deal with moneys and properties of the corporation in such manner as may from time to time be considered wise or expedient for the advancement of its interests and to sell, dispose of or transfer the business, properties and goodwill of the corporation or any part thereof for such consideration and under such terms as it shall see fit to accept;
8. To aid in any manner any corporation, association, or trust estate, domestic or foreign, or any firm or individual, any shares of stock in which or any bonds, debentures, notes, securities, evidences of indebtedness, contracts, or obligations of which are held by or for this corporation, directly or indirectly or through other corporations or otherwise.
9. To enter into any lawful arrangement for sharing profits, union of interest, unitization of farmout agreement, reciprocal concession, or cooperation, with any corporation, association, partnership, syndicate, entity, person or governmental, municipal or public authority, domestic or foreign, in the carrying on of any business or transaction deemed necessary, convenient or incidental to carrying out any of the purposes of this corporation;




10. To establish and operate one or more offices or agencies and to carry on any or all of its operations and business without any restriction as to place or amount including the right to hold, purchase or otherwise acquire, lease mortgage, pledge, and convey or otherwise deal in and with real and personal property anywhere within the Philippines;
11. To distribute as dividends, the unrestricted earnings of the corporation to the stockholders thereof either in cash, and/or in shares of the unissued stock of the Corporation and/ or in kind, namely, properties of the corporation, particularly any shares of stock, debentures or securities of other companies belonging to this corporation, and
12. Without in any particular limiting the powers of the corporation, it is hereby expressly declared and provided that the corporation shall have the power to make and perform contracts of any kind and description with any person, firm, or corporation; and particularly, but not by way of limitation, to make and perform contracts creating rights, easements, and other privileges respecting any of the property, real or personal, of any kind owned by the corporation; and in the conduct of its business and for the purpose of attaining or furthering any of its purposes to do any and all other acts and things, to exercise any and all other powers which a natural person could do and exercise and which are now or may hereafter be authorized by law.
13. To conduct and transact any and all lawful business, and to do or cause to be done any one or more of the acts and things herein set forth as its purposes, within or without the Philippines, and in any and all foreign countries, and to do everything necessary, desirable or incidental to the accomplishment of the purposes or the exercise of any or more of the powers herein enumerated, or which shall at any time appear conducive to or expedient for the protection or benefit of this corporation.

THIRD: That the place where the principal office of the corporation is to be established or located is at Cebu City, Philippines 

FOURTH: That the term for which said corporation is to exist is Fifty (50) years from and after the date of incorporation.

FIFTH: That the names, nationalities and residences of the incorporators of said corporation are as follows:

<u>Name</u>	<u>Nationality</u>	<u>Residence</u>
Jon Ramon Aboitiz	Filipino	Maria Luisa Estate Park, Cebu City
Juan Antonio Bernad	Filipino	Maria Luisa South Guadalupe, Cebu City
Mikel A. Aboitiz	Filipino	Maria Luisa Estate Park, Cebu City



Erramon I. Aboitiz Filipino

North Town Homes,
Cebu City

Alfonso Y. Aboitiz Filipino

Maria Luisa Estate Park
Cebu City

SIXTH: That the number of directors of said corporation shall be Nine (9) and that the names, nationalities, and residences of the directors who are to serve until their successors are elected and qualified as provided in the by-laws are as follows:

<u>Name</u>	<u>Nationality</u>	<u>Residence</u>
Jon Ramon Aboitiz	Filipino	Maria Luisa Estate Park, Cebu City
Enrique M. Aboitiz, Jr.	Filipino	San Lorenzo Village, Makati City
Ernesto M. Aboitiz	Filipino	Maria Luisa Estate Park, Cebu City
Juan Antonio Bernad	Filipino	Maria Luisa South Guadalupe, Cebu City
Mikel A. Aboitiz	Filipino	Maria Luisa Estate Park, Cebu City
Erramon I. Aboitiz	Filipino	North Town Homes, Cebu City
Luis Miguel Aboitiz	Filipino	110 Legazpi St., Makati City
Alfonso Y. Aboitiz	Filipino	Maria Luisa Estate Park, Cebu City
Antonio R. Moraza	Filipino	Maria Luisa Estate Park Cebu City

SEVENTH: That the authorized capital stock of said corporation is FIVE BILLION (P5,000,000,000.00) PESOS and said capital stock is divided into:

1. FOUR BILLION (4,000,000,000) COMMON SHARES, with a par value of 1 PESO (P1.00);
2. 1 BILLION (1,000,000,000) PREFERRED SHARES, with a par value of 1 PESO (P1.00).

Preferred shares shall be non-voting, non-participating, convertible at the option of the Board of Directors, redeemable and maybe issued from time to time by the Board in one or more series, the designations, relative rights, references and

limitations of the preferred stock, and/or particularly the shares of each series thereof, maybe similar to or may differ from those of any other series. The Board of Directors is hereby expressly authorized to issue from time to time before issuance thereof, the number of shares in each series, and all designations, relative rights, preferences and limitations of the shares in each series, subject to the provisions of this Article. Preferred shares that are redeemed by the corporation may be re-issued; that holders thereof are entitled to receive dividends payable out of the earned surplus profit of the corporation as the Board of Directors may, by resolution determine with due notice to the SEC; such dividends or series of dividends may be cumulative as determined by the Board of Directors by resolution; in the event of any liquidation or dissolution or winding up (whether voluntary or involuntary) of the corporation, the holders of the PREFERRED stock shall be entitled to be paid in full the par value of their shares before any payment in liquidation is made upon the COMMON stock.

No holder of shares of the capital stock of any class of the corporation shall have any pre-emptive or preferential right of subscription to any shares of any class of stock of the corporation, whether now or hereafter authorized, or to any obligations convertible into any stock of the corporation, issued or sold, nor any right of subscription to any thereof other than such, if any, as the Board of Directors, in its discretion, may from time to time determine and at such price as the Board of Directors may from time to time set.

EIGHTH: That the amount of said capital stock which has been actually subscribed is TWO BILLION (2,000,000,000) ^{pesos} and the following persons have subscribed for the number of shares and the amount of capital stock indicated opposite their respective names:

<u>Names</u>	<u>No. of Shares Subscribed</u>	<u>Amount Subscribed</u>
Jon Ramon Aboitiz	1	P1.00
Enrique M. Aboitiz, Jr.	1	P1.00
Ernesto M. Aboitiz	1	P1.00
Juan Antonio Bernad	1	P1.00
Mikel A. Aboitiz	1	P1.00
Erramon I. Aboitiz	1	P1.00
Luis Miguel Aboitiz	1	P1.00
Alfonso Y. Aboitiz	1	P1.00
Antonio R. Moraza	1	P1.00
Aboitiz Equity Ventures	1,999,999,991	P1,999,999,991.00
Total	2,000,000,000	P 2,000,000,000.00

Common

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NINTH: That the following persons have paid on the shares of capital stock for which they have subscribed the amount set out after their respective names:

<u>Name</u>	<u>Common</u> <u>Amount Paid</u>
Jon Ramon Aboitiz	P1.00
Enrique M. Aboitiz, Jr.	P1.00
Ernesto M. Aboitiz	P1.00
Juan Antonio Bernad	P1.00
Mikel A. Aboitiz	P1.00
Erramon I. Aboitiz	P1.00
Luis Miguel Aboitiz	P1.00
Alfonso Y. Aboitiz	P1.00
Antonio R. Moraza	P1.00
Aboitiz Equity Ventures	P1,599,999,991.00
Total	<u>P1,600,000,000.00</u>

TENTH: That no issuance or transfer of shares of stock of the corporation which would reduce the stock ownership of Filipino Citizens to less than the minimum percentage of the outstanding capital stock required by law to be owned by Filipino Citizens, shall be allowed or permitted to be recorded in the books of the corporation. This restriction shall be printed or indicated in all the certificates of stock to be issued by the corporation.

ELEVENTH: That Mr. Erramon I. Aboitiz has been elected by the subscribers as Treasurer of the corporation to act as such until his/her successor is duly elected and shall have qualified in accordance with the by-laws; and that, as such Treasurer, he/she has been authorized to receive for the corporation, and to issue its name receipt for, all subscription paid in by the subscribers.

12

IN WITNESS WHEREOF, we have hereunto signed the Articles of Incorporation,
this 24th day of October, at Cebu City, Philippines.

1997
Jon Ramon Aboitiz

Mikel A. Aboitiz

Juan Antonio E. Bernad

Erramon I. Aboitiz

Alfonso Y. Aboitiz

SIGNED IN THE PRESENCE OF:

REPUBLIC OF THE PHILIPPINES)
CITY OF CEBU) S. S.

Before me, a Notary Public for and in the City of Cebu, Philippines, on this
24th day of October, 1997, personally came and appeared:

<u>Name</u>	<u>CTC No.</u>	<u>Place/Date of Issue</u>
Jon Ramon Aboitiz	3106026	Cebu City, 2/06/97
Juan Antonio Bernad	3120393	Cebu City, 2/17/97
Mikel A. Aboitiz	3106038	Cebu City, 2/06/97
Erramon I. Aboitiz	3092982	Cebu City, 1/30/97
Alfonso Y. Aboitiz	19887422	Davao City, 2/04/97

Known to me and to me known to be the same persons who executed the foregoing
instrument and acknowledged to me that the same is their own free act and deed.

WITNESS MY HAND AND SEAL at the place and on the date first above-written.

Doc. No. 354
Page No. 72
Book No. 75
Series of 1997

DELEIN H. DECIERDE
NOTARY PUBLIC
UNTIL DECEMBER 31, 1998
PTR NO. 9212119
ISSUED ON JAN. 7, 1997
AT CEBU CITY
TIN NO. 103-715-216

CEBU
EXIT OFFICE
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TREASURER'S CERTIFICATE

I, ERRAMON I. ABOITIZ, after having been duly sworn in accordance with law, hereby depose and say:

That I am the duly elected Treasurer-in Trust by the subscribers named in the foregoing Articles of Incorporation of Aboitiz Power Corporation, to act as such until my successor has been duly elected and qualified in accordance with the By-laws of the corporation; and that as such Treasurer, I hereby certify under oath that at least twenty-five (25%) percent of the authorized capital stock has been subscribed and at least twenty-five (25%) percent of the subscription has been paid and received by me in cash in the amount of not less than THIRTY NINE MILLION EIGHT HUNDRED SIXTY THOUSAND SIX HUNDRED EIGHTY ONE Pesos (P39, 860, 681.00) and shares of stock in the amount of ONE BILLION FIVE HUNDRED SIXTY MILLION ONE HUNDRED THIRTY NINE THOUSAND THREE HUNDRED NINETEEN Pesos (P1, 560, 139, 319.00), and attached herewith are supporting documents, in accordance with the : *date* the corporation *date*.

Erramon I. Aboitiz
Treasurer

SUBSCRIBED AND SWORN to before me this 24th day of October, 1997, at Cebu City, Philippines; affiant having exhibited to me his Community Tax Certificate No. 3092982 issued at Cebu City on Jan 30, 1997.

Doc. No. 418
Page No. 85
Book No. 35
Series of 1997

[Signature]
MEL B. LIBRE
NOTARY PUBLIC
UNTIL DECEMBER 31, 1997
PTR NO. 9212120
ISSUED AT CEBU CITY
ON JAN. 7, 1997

PHILIPPINE HYDROPOWER CORPORATION

Aboitiz Corporate Center

P.O. Box 65, Cebu City

38 FEB 13 A 9: 59

CERTIFICATION

This is to certify that the Philippine Hydropower Corporation hereby conforms to the assignment made by the Aboitiz Equity Ventures, Inc. of FIVE HUNDRED MILLION (500,000,000) shares of stock of Philippine Hydropower Corporation in favor of Aboitiz Power Corporation.

February 12, 1998, Cebu City, Philippines.


PHILIPPINE HYDROPOWER CORP.

By:


SYLVA G. AGUIRRE-PADERANGA
Corporate Secretary

SUBSCRIBED AND SWORN to before me this 13th day of February 1998, affiant exhibiting to me her Community Tax Certificate Number 3149715 issued on February 28, 1997 in Cebu City.

Doc. No. 337;
Page No. 69;
Book No. 77;
Series of 1998.


DELON H. DECIERDO
NOTARY PUBLIC
UNIL. REG. 1998
ISSUED ON FEB 21, 1998
AT CEBU CITY

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97 OCT 28 P 4: 29

October 28, 1997

Securities & Exchange Commission
and/or Central Bank of the Philippines
Metro Manila

Gentlemen:

This is to authorize your office to examine and verify the deposit in the UNION BANK OF THE PHILIPPINES, LAHUG BRANCH, CEBU CITY in my name as Treasurer-in-Trust for ABOITIZ POWER CORPORATION in the amount of THIRTY NINE MILLION NINE HUNDRED ~~SEVENTY-ONE THOUSAND~~ FOUR HUNDRED ~~THREE~~ PESOS (P39,971,403.00) representing the CASH paid up capital of the said corporation which is in the process of incorporation.

This authority is valid and inspection of said deposit maybe made even after the issuance of the certificate of incorporation to the company.

Should the deposit be transferred to another bank prior to or after incorporation, this letter will also serve as authority to verify and examine the same.

The representative of the Securities & Exchange Commission is also authorized to examine the pertinent books and records of accounts of the corporation as well as supporting papers to determine the utilization and disbursement of the said paid up capital.

ABOITIZ POWER CORPORATION
By:

ERRAMON I. ABOITIZ
Treasurer-in-Trust

SUBSCRIBED AND SWORN to before me this 13 day of JAN 1998
at the City of Cebu, Philippines; affiant having exhibited to me his Comm. T & Cert. No. 3092382 issued at Cebu City on Jan. 30, 1997.

Doc. No. 444
Page No. 90
Book No. 76
Series of 1998.

DELFIN H. DECIERDO
NOTARY PUBLIC
UNTIL DECEMBER 31, 1998
P.R. No. 9212119
ISSUED ON JAN. 7, 1997
AT CEBU CITY
TIN NO. 103-715-216

[Handwritten signature]
1-14-98

October 28, 1997 OCT 28 P4: 29

The Chairman
Securities and Exchange Commission
EDSA, Mandaluyong, Metro Manila


Sir:

In connection with the registration of the Articles of Incorporation/Partnership of
the:

ABOITIZ POWER CORPORATION

I, the undersigned representative and on behalf of the organizers thereof, hereby
manifest our willingness to change its corporate name in the event another person, firm
or entity has acquired a prior right to the use of the said firm name or one deceptively
or confusingly similar to it.

Very truly yours,


CONCEPCION S. CABILES
c/o Aboitiz & Co., Inc.
Banilad, Cebu City

October 28, 1997

Securities and Exchange Commission
Cebu Extension Office
Cebu City

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98 JAN 20 AM 1:15
OFFICE

Gentlemen:

This is to inform your goodself that the undersigned authorized representative/s of the subject company which is in the process of registration/recording in your office is requesting your office for the approval of the proposed corporate/partnership name ABOITIZ POWER CORPORATION

for its own use. However, if the said company name cannot be approved by your office, per your requirements, please feel free to choose a possible substitute from the following alternative names in order presented below:

1. ABOITIZ POWER CORPORATION

2. _____

3. _____

In connection herewith, the undersigned is likewise undertaking to change the company's name approved by your office in the event there is another corporation, partnership, association or any entity that has acquired a prior right to the use of said name or one similar to it.

However, if all the above-mentioned company's name cannot be approved by your office, kindly inform the undersigned of the firm name/s which you recommend we can use as per S.E.C. requirements for our information and guidance.

This is further to authorize your office and/or its duly authorized personnel to make the necessary corrections to the Articles of Incorporation/Articles of Partnership and its supporting documents, if any to conform with the provisions of the Corporation Law, other applicable laws, as well as the rules and regulations being administered and enforced by it.

Very truly yours,

ABOITIZ POWER CORPORATION

(Name of Company)

CONCEPCION S. CABLES

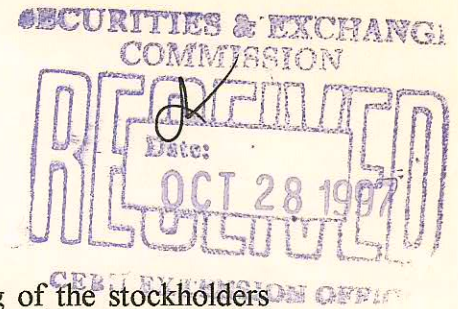
Authorized Representative

SUBSCRIBED AND SWORN to before me this JAN 19 1998 day of JAN 19 1998 19 at _____ Philippines, affiant exhibited to me his Residence Certificate No. 3121295 issued at Cebu City on February 17, 19 97.

Doc. No. 38
Page No. 9
Book No. 77
Series of 19 98

DELFIN H. DECIERDO
NOTARY PUBLIC
UNTIL DECEMBER 31, 1998
PTR NO. 2212119
ISSUED ON JAN. 7, 1997
AT CEBU CITY
TIN NO. 103-715-216

BY-LAWS
OF
ABOITIZ POWER CORPORATION
ARTICLE I



SECTION 1. Annual Meeting - The annual meeting of the stockholders shall be held at the principal office of the corporation at Cebu City, Philippines, at a time to be announced by the Board of directors every 2nd MONDAY OF MAY of each year, and if such day is a legal holiday, in which case, it shall be held on the next business day of the following.

SECTION 2. Special Meeting - Special Meeting of the stockholders may be called by the President of the Corporation at his discretion or by resolution of the Board of Directors or upon written demand of stockholders holding one-third of the outstanding capital stock of the corporation.

SECTION 3. Notices - Notice of time and place of annual or special meetings of the stockholders shall be given either personally or by mail, addressed to each stockholder of record at the address left by such stockholder with the Secretary of the Corporation or at his last known address. Provided, however, that in the case of special meetings, notice shall state the object or objects of the same. Failure or irregularity of notice of any annual or special meeting shall not invalidate such meetings or any proceedings when all the stockholders are present and voting thereat without protest. Publication of notice of meetings in the newspapers of general circulation shall not be necessary except as provided by law.

SECTION 4. Quorum - A quorum for any meeting of stockholders shall consist of a majority of the outstanding capital stock of the corporation, and a majority of such quorum shall decide any question at the meeting save and except in those matters where the corporation law requires the affirmative vote of a greater proportion.

SECTION 5. Vote - Voting upon all questions at all meetings of the stockholders shall be by shares of stock and not per capita.

SECTION 6. Proxy - Stockholders may vote at all meetings either in person or by proxy duly given in writing and presented to the Secretary for inspection and record at least five (5) days before said meeting. No proxy bearing the signature which is not legally acknowledged shall be recognized by the Secretary. Any proxy issued by the stockholder shall be valid for only one meeting, and any adjournments thereof, provided that such proxy is presented to the Secretary not later than the deadline set in this section.

SECTION 7. Nomination of Directors - Nominations for the election of directors for the ensuing year must be received by the Corporate Secretary no less than five (5) days prior to the Annual Meeting of stockholders.

SECTION 8. Order of Business - The order of business at the annual meeting of the stockholders shall be as follows:

- a.) Proof of the required notice of the meeting
- b.) Proof of the presence of quorum
- c.) Reading of the minutes of the previous meeting
- d.) Report of the President and the Board of Directors
- e.) Ratification and approval of the acts of the President and the Board of Directors

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- f.) Election of Directors for the ensuing year
- g.) Appointment of External Auditors
- h.) Other matters
- i.) Adjournment

SECTION 9. Minutes - Minutes of all meetings of the stockholders shall be kept and preserved as a record of the business transacted at such meetings. The minutes shall contain in such entries as may be required by law.

ARTICLE II

THE BOARD OF DIRECTORS

SECTION 1. Qualifications and Election - The general management of the corporation shall be vested in a board of ~~nine~~ (9) who shall be stockholders and who shall be elected annually by the stockholders owning majority of the outstanding capital stock for a term of one (1) year and who shall serve until the election and qualification of their successors. Any vacancy in the Board of Directors, other than removal or expiration of term may be filled by a majority vote of the remaining members thereof at a meeting called for that purpose if they still constitute a quorum, and the director or directors so chosen shall serve for the unexpired term.

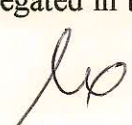
SECTION 2. Quorum - The directors shall act as a Board and the individual directors shall have no power as such. A majority of the directors shall be necessary at all meetings to constitute a quorum for the transaction of any business. Every decision of a majority of the quorum duly assembled as a Board shall be valid as a corporate act, except as provided under Section 25 of the Corporation Code.

SECTION 3. Meetings - The Board of Directors shall hold a meeting, for organization, and for the election of officers immediately after their election of which meeting no notice is required. Thereafter, the Board of Director shall hold meetings at least quarterly at the principal office of the corporation on a particular day of each quarter that it may fix.

SECTION 4. Powers - The Board of Directors shall have the management of the business of the company and such powers and authorities as are herein by these By-Laws or by statutes of the Philippines expressly conferred upon by it.

Without prejudice to the general powers herein-above conferred, the Board of Directors shall have the following express powers:

- a.) From time to time to make and change rules and regulations not inconsistent with these by-laws for the management of the corporation's business and officers;
- b.) To purchase or otherwise acquire for the corporation, rights or privileges which the corporation is authorized to acquire at such price and on such terms and conditions and for such considerations as it shall from time to time see fit;
- c.) To borrow money for the corporation and for such purpose, to create, make and issue mortgage, bonds, deeds of trust and negotiable instruments and securities secured by mortgage or pledge or property belonging to the corporation;
- d.) To pay for any property or rights acquired by the company or to discharge obligations of the company either wholly or partly in money or in stocks, bonds, debentures, or other securities of the company;
- e.) To delegate, from time to time, any of the powers of the board which may lawfully be delegated in the course of any officer or agent and to appoint any



person or persons to be agents of the corporation with such powers and upon such term may be deemed fit;

SECTION 5. Order of Business - The order of business at any regular or special meeting of the Board of Directors shall be as follows:

- a.) Calling to roll
- b.) Secretary's proof of due notice of the meeting
- c.) Reading and disposal of the minutes of the previous meeting
- d.) Unfinished business
- e.) New business
- f.) Adjournment

The foregoing order of business may, however, be changed by the affirmative vote of the majority of the members of the Board.

SECTION 6. Minutes - Minutes of all meetings of the Board of Directors shall be kept and preserved as a record of the business transacted at such meetings. The minutes shall contain such entries as may be required by law.

ARTICLE III

SECTION 1. General Proviso - The officers of the corporation shall consist of a Chairman, Vice Chairman, President, Executive Vice Presidents, Senior Vice-Presidents, Vice Presidents, Assistant Vice Presidents, Secretary, Assistant Secretary, Treasurer and Assistant Treasurer, and such other officers as may be appointed by the Board, whose powers and duties shall be as hereinafter provided and as the Board of Directors may fix in conformity with the provisions of these By-Laws. All officers shall be elected to their offices by a majority vote of all the members of the Board of Directors and they shall hold office for the term of one (1) year.

SECTION 2. CHAIRMAN - The Chairman, who must be a Director, shall preside in all meetings of the Board of Directors. He shall also inform the Board of Directors and the stockholders, of matters of interest to them at their respective meetings.

SECTION 3. VICE CHAIRMAN - The Vice Chairman, who must be a Director, shall have such powers and performs such duties as the Board of Directors may from time to time prescribe. In the absence or inability of the Chairman, the Vice Chairman shall act in his stead, and shall exercise any and all such powers and perform any and all duties pertaining to the office of the Chairman as conferred upon him by these By-laws.

SECTION 4. PRESIDENT - The President must be a Director. In addition to such duties as may be delegated to him by the Board of Directors, he shall preside and call to order all meetings of the stockholders of the corporation.

SECTION 5. EXEC. VICE PRESIDENT - In the absence of the President, the Executive Vice President(s), who may be a director, if qualified, shall execute all the powers and perform all the duties of the President and discharge such duties as the Board of Directors may prescribe.

SECTION 6. SENIOR VICE PRESIDENT - The Senior Vice President(s), who may be a director, shall exercise all the powers and perform all the duties of the president, if qualified in case of absence or disability for any cause of the

Executive Vice President. The Senior Vice President (s) shall also have such powers and discharge such duties as the Board of Directors may from time to time prescribe.

SECTION 7. VICE PRESIDENT - The Vice President(s), who may be a director, shall exercise all the powers and perform all the duties of the president, if qualified in case of absence or disability for any cause of the Senior Vice President. The Vice President (s) shall also have such powers and discharge such duties as the Board of Directors may from time to time prescribe.

SECTION 8. ASST. VICE PRESIDENT - The Assistant Vice President(s), who may be a director, shall exercise all powers and perform all the duties of the Vice President(s), if qualified in case of the latter(s) absence or disability for any cause. He (they) shall exercise all powers and perform all duties as the Board may prescribe.

SECTION 9. SECRETARY - The Secretary who must be a citizen and a resident of the Philippines, shall keep the minutes of all meetings of the stockholders and of the Board of Directors. He shall have charge of the corporate seal, the stock certificate books and such other books and papers of the Corporation. He shall countersign with the President the certificate of stock issued as well as such other instruments which require his signature. He shall attend to the giving and serving of all notices required by the Corporation Law or these By-laws. He shall also perform such other duties as are incident to his office and as the Board of Directors may from time to time direct.

SECTION 10. ASST. SECRETARY - He or She shall perform the duties or responsibility of the Corporate Secretary, if qualified, for and in the absence or inability for any cause of the Corporate Secretary.

SECTION 11. TREASURER - The Treasurer, who must be a resident of the Philippines, shall have charge of the funds, securities, receipts and disbursements of the corporation. He shall deposit or cause to be deposited all money and other valuable effects of the corporation in such banks or trust companies as the Board of Directors may delegate. He shall render to the President or the Board of Directors, whenever required, an account of the financial condition of the corporation and of all transactions made by him as treasurer. He shall keep correct books of account of all the business transactions of the corporation. He shall perform all other duties which are incident to his position and which are from time to time prescribed by the Board of Directors. He maybe required to post a bond of sufficient securities for the faithful performance of his duties.

SECTION 12. ASST. TREASURER - He or She shall perform all acts of the Treasurer, if qualified, in case of absence or disability for any cause of the Treasurer.

SECTION 13. EXECUTIVE COMMITTEE - An executive committee shall be appointed by the Board of Directors from either the Directors and/or Officers. It shall consist of 5 members, of which the President, who is automatically a member, shall be Chairman, and at least two others who must be Directors. The powers of the executive Committee shall extend to any acts exercised by the Board and Officers, except those acts, the delegation of which, would be contrary to law.

ARTICLE IV

STOCKS

SECTION 1. Issue - The Board of Directors shall, in accordance with law, provide for the issuance of the stock certificate of the corporation and shall be signed by the President and countersigned by the Secretary and sealed with the seal of the

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corporation. The certificate of stocks shall be issued in consecutive order, and the certificates shall be numbered in the order in which they are issued. Upon the stub of each certificate issued shall be entered the name of the person, firm, or corporation owning the stock represented by such certificate, the number of shares in respect of which the certificate is issued and, in the case of cancellation, the date thereof.

SECTION 2. Transfer - Transfer of stock shall be made by endorsement of the certificate and delivery thereof, but shall not be effective and binding in so far as the corporation is concerned until it is duly registered in the books of the corporation. Every certificate surrendered for exchange or transfer shall be cancelled, and no new certificate shall be issued in exchange for cancelled certificate until the old certificate has been so cancelled.

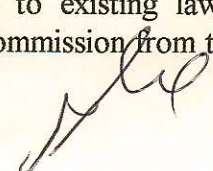
SECTION 3. Stock and Transfer Book - There shall be kept by the Secretary of the corporation a book to be known as the "Stock and Transfer Book", containing the names, alphabetically arranged, of the stockholders of the corporation, showing their places of residence, the number of stock held by them and the time when they respectively become the owner thereof and the amount paid by them thereon. A record date may be set by the Board of Directors during such period as the Board of Directors may from time to time direct and in accordance with rules and regulations issued by the Securities and exchange Commission or Philippine stock exchange from time to time.

SECTION 4. Treasury Stocks - The treasury stocks of the corporation shall consist of such issued and outstanding stocks which have found their way back into the treasury of the corporation either by reason of donation in its favor or by virtue of any other forms of acquisition. The said stocks may be disposed of by virtue of a resolution adopted by the Board of Directors. While held by the corporation, said stocks shall neither vote nor participate in the distribution of dividends.

SECTION 5. Loss or Destruction of Certificates - The Board of Directors may direct a new certificate of stock to be issued in place of any certificate theretofore issued and alleged to have been lost or destroyed. The Board of Directors authorizing such issue of a new certificate, may in its discretion, require the owner of the stock or his legal representative to furnish proof by affidavit or otherwise to the satisfaction of the Board as to ownership of the stock alleged to have been lost or destroyed, and the facts which supported its loss or destruction. The Board of Directors may also require him to give notice to such loss or destruction by publication or otherwise, as it may direct, and cause the delivery to the Corporation of a bond with or without sureties in such sum as it may direct, indemnifying the corporation from any claims that may be made against it by reason of the issuance of such new certificate. The Board of Directors, however, may refuse in its discretion, to issue any such new certificate except pursuant to legal proceedings made and provided for in such case. In this connection, the provision of Sec. 73 of the Corporation Code must be complied with.

SECTION 6. Compulsory Exchange of Certificates - When the Articles of Incorporation are amended in any way affecting the statements contained in the certificates for outstanding shares, or it becomes desirable for any reason to cancel the outstanding certificates of shares and issue new certificates thereafter conforming to the rights of the holder, the Board of Directors may order any holder of outstanding certificates for shares to surrender and exchange them for new certificates within reasonable time to be fixed by the Board of Directors.

SECTION 7. Uncertificated Securities - Anything in this Article to the contrary notwithstanding, the Board of Directors may, subject to existing laws and regulations which may be issued by the Securities and exchange Commission from time to



time, approve the issuance or transfer of stocks by way of electronic book entries of uncertificated securities in any duly registered clearing agency

ARTICLE V

FISCAL YEAR, DIVIDENDS, AUDITING AND INSPECTION OF BOOKS OF ACCOUNTS

SECTION 1. Fiscal year - The Fiscal Year of the corporation shall commence with the opening of the business on the 1ST day of January of each calendar year and shall close on the 31st day of December of the same year.

SECTION 2. Dividends - Dividends shall be declared only from the unrestricted ^{retained} earnings and shall be payable at such times and in such amounts as the Board of Directors shall determine, and payment shall be in cash and/or in shares of the unissued stock of the Corporation and/or in kind namely, properties of the Corporation, particularly any shares of stock, debentures or securities of other companies belonging to this Corporation as said Board of Directors shall determine; provided, that no stock dividend shall be declared without the concurrence of stockholders representing not less than two-thirds (2/3) of outstanding capital stock. No dividends shall be declared that will impair the capital of the Corporation.

SECTION 3. Auditing of Books of Accounts - Inspection of the books of accounts by any member of the Board of Directors may be made at any and all times, and such inspection may embrace all book, records, and voucher of the corporation. Stockholders may inspect the books of the corporation only on reasonable time during business hours.

ARTICLE VI


SEAL

The corporate seal of the corporation shall consist of two concentric rings, between shall be inscribed - the words "ABOITIZ POWER CORPORATION" and in the center, the words "Incorporated on followed immediately by the date of the approval of the Articles of Incorporation by the Securities & Exchange Commission"

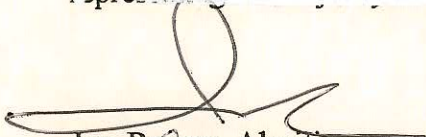
ARTICLE VII

AMENDMENTS

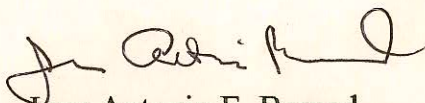
These By-Laws may be amended, repealed, or altered in whole or in part by a majority vote of the Board of Directors and a majority vote of the entire outstanding capital stock of the corporation at any regular or special meeting of the shareholders or at any special meeting where such action has been announced in the call and notice of such meetings, provided, however, that the owners of two-thirds (2/3) of the outstanding capital stock may delegate to the Board of Directors the power to amend or repeal these By-laws or to adopt new By-laws. Such delegation of powers shall be considered revoked whenever a majority of the outstanding capital stock shall so vote at a regular or special meeting.



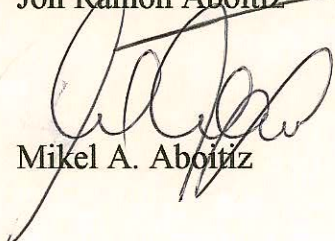
ADOPTED 24th day of October, 1997 at Cebu City, Philippines, by the
unanimous vote of the undersigned incorporators of ABOITIZ POWER CORPORATION



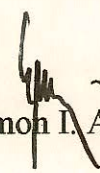
Jon Ramon Aboitiz



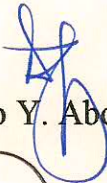
Juan Antonio E. Bernad



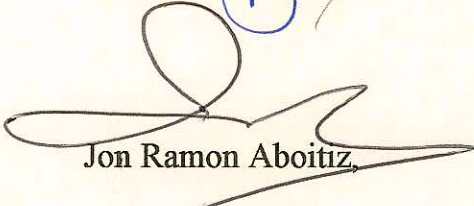
Mikel A. Aboitiz



Erramon I. Aboitiz



Alfonso Y. Aboitiz



Jon Ramon Aboitiz

for and in behalf of
Aboitiz Equity Ventures,
in his capacity as
President and Chief Executive Officer
thereof.