

# **CENTRO ESCOLAR UNIVERSITY**

(Company's Full Name)

**9 Mendiola Street  
San Miguel, Manila**

(Company's Address)

**735-6861 to 71**

(Telephone Numbers)

## **PRELIMINARY INFORMATION STATEMENT SEC FORM 20-IS**

**Pursuant to SRC RULE 20**

**SECURITIES AND EXCHANGE COMMISSION**

**SEC FORM 20-IS**  
**INFORMATION STATEMENT PURSUANT TO SECTION 20**  
**OF THE SECURITIES REGULATION CODE**

1. Check the appropriate box:  
 Preliminary Information Statement  
 Definitive Information Statement
2. Name of Registrant as specified in its charter **CENTRO ESCOLAR UNIVERSITY**
3. Province, country or other jurisdiction of incorporation or organization **Philippines**
4. SEC Identification Number **1093**
5. BIR Tax Identification Code **000-531-126-000**
6. Address of principal office **9 Mendiola Street  
San Miguel, Manila 1005**
7. Registrant's telephone number, including area code **(02) 735-6861**
8. Date, time and place of the meeting of security holders **July 25, 2017, 3:00 P.M.  
Information Science Center  
Mezzanine Floor  
9 Mendiola Street  
San Miguel, Manila**
9. Approximate date on which the Information Statement is first to be sent or given to stockholders **July 4, 2017**
10. In case of Proxy Solicitation, Name of Person Filing the Statement/Solicitor Address and Telephone Number
11. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (information on number of shares and amount of debt is applicable only to corporate registrants):
- | Title of Each Class | Number of Shares of Common Stock Outstanding or Amount of Debt Outstanding |
|---------------------|--|
| <b>Common Stock</b> | <b>372,414,400</b>   |
12. Are any or all of registrant's securities listed on a Stock Exchange?  
Yes  No
- If yes, disclose the name of such Stock Exchange and the class of securities listed therein:

Philippine Stock Exchange, Inc.

# **CENTRO ESCOLAR UNIVERSITY**

## **SEC Form 20-IS**

### **PART I. INFORMATION REQUIRED IN INFORMATION STATEMENT**

#### **A. GENERAL INFORMATION**

##### **Item 1. Date, time and place of meeting of security holders.**

- |    |  |  |
|----|--|--|
| a) | Date of Meeting  | July 25, 2017  |
|    | Time of Meeting  | 3:00 P.M.  |
|    | Place of Meeting   | Information Science Center<br>Mezzanine Floor<br>9 Mendiola St.,<br>San Miguel, Manila |
|    | Registrant's Mailing Address   | 9 Mendiola St.,<br>San Miguel, Manila 1005   |
| b) | Approximate Date when the Information Statement is first to be sent or given to security holders | July 4, 2017   |

##### **Item 2. Dissenters' Right of Appraisal.**

There are no corporate matters or actions that will entitle dissenting stockholders to exercise their right of appraisal as provided in Title X of the Corporation Code.<sup>1</sup>

##### **Item 3. Interest of Persons in or Opposition to Matters to be Acted Upon.**

a. The incumbent directors and officers have no substantial interest in any matter to be acted upon other than their election to office.

b. No director has informed CEU in writing that he intends to oppose any action to be taken by CEU at the annual meeting.

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<sup>1</sup> The right of appraisal means the right of a dissenting stockholder to demand payment of the fair market value of his shares in the instances provided under the Corporation Code. In such instances the right may be exercised by any stockholder who shall have voted against the proposed action by making a written demand to the corporation within 30 days after the date on which the vote was taken for payment of the fair market value of his shares. Failure to make the demand shall be deemed a waiver of such right.

## B. CONTROL AND COMPENSATION INFORMATION

### Item 4. Voting Securities and Principal Holders Thereof.

a) As of May 31, 2017, the University has 372,414,400 issued and outstanding common stock at ₱1.00 per share. All the shares of stock are entitled to vote.

b) Only stockholders of record at the close of business on July 5, 2017 are entitled to notice and to vote at the Annual Stockholders' Meeting.

c) A stockholder entitled to vote at the meeting shall have the right to do so in person or by proxy. With respect to the election of directors, in accordance with Section 24 of the Corporation Code of the Philippines, a stockholder may vote the number of shares held in his name in the University's stock and transfer book as of July 5, 2017, and may vote such number of shares for as many persons as there are directors to be elected or he may cumulate said shares and give one candidate as many votes as the number of his shares shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit: Provided, That the total number of votes cast by him shall not exceed the number of shares owned by such stockholder as shown in the stock and transfer book multiplied by the total number of directors to be elected.

#### d) Security Ownership of Certain Record and Beneficial Owners and Management

##### 1. Security Ownership of Certain Record and Beneficial Owners

Owners of record of more than five percent (5%) of the University's shares of stock as of May 31, 2017 are as follows:

Title of Class	Name & Address of Record Owner* & Relationship with Issuer	Name of Beneficial Owner & Relationship with Record Owner	Citizenship	Number of Shares Held	Percent (%)
Common	USAUTOOCO, INC. 1000 United Nations Ave., Ermita, Manila Authorized Representative – Basilio C. Yap Relationship to Issuer - Stockholder	USAUTOOCO, INC. Authorized Representative – Basilio C. Yap Position -President	Filipino	126,620,891	34.00%
Common	U.S. Automotive Co., Inc. 1000-1046 United Nations Ave., cor. San Marcelino, Ermita, Manila Authorized Representative – Basilio C. Yap Relationship to Issuer - Stockholder	U.S. Automotive Co., Inc. Authorized Represent- ative – Basilio C. Yap Position - President	Filipino	55,963,803	15.02%

\*Authorized representative has voting power over the shareholdings of the corporate stockholder.

Common	PCD Nominee Corp. – Filipino	Alejandro C. Dizon Beneficial Owner	Filipino	50,033,412	13.43%
Common	Southville Commercial Corporation 403 Topaz St., Posadas Village, Sucat, Muntinlupa City Authorized Representative – Petronila G. Mallare Relationship to Issuer – Stockholder	Southville Commercial Corporation Authorized Representative – Petronila G. Mallare Position – President	Filipino	29,686,293	7.97%
Aggregate Number of Shares and Percentage of All Beneficial/Record Owners As a Group				<u>262,304,399</u>	<u>70.43%</u>

The Board of Directors generally has the power to vote on behalf of their respective corporations. A proxy is usually designated to attend the meeting and cast the vote for the corporation.

The proxies designated by each stockholder will be known by July 20, 2017.

## 2. Security Ownership of Management

The following tables show the security ownership of CEU's directors and officers as of May 31, 2017 are as follows:

Title of Class	Directors	Amount and Nature of Beneficial Ownership	Citizenship	Percent of Class
Common	Basilio C. Yap (Chairman)	1001 (d)	Filipino	0.0002
Common	Ma. Cristina D. Padolina (Vice Chairman/President)	38,316 (d)	Filipino	0.0102
Common	Angel C. Alcala*	1 (d)	Filipino	Nil
Common	Emil Q. Javier *	1 (d)	Filipino	Nil
Common	Benjamin C. Yap	800 (d)	Filipino	0.0002
Common	Alejandro C. Dizon**	50,033,412 (d)	Filipino	13.4349
Common	Emilio C. Yap III	339,779 (d)	Filipino	0.0912
Common	Corazon M. Tiongco (Assistant Treasurer)	10,115,604 (d)	Filipino	2.7162
Common	Johnny C. Yap	1,000 (d)	Filipino	0.0003
Total		60,529,914 (d)		16.25%

\* Independent Director.

\*\* Dr. Alejandro C. Dizon has 51,837 shares registered in his name in addition to 49,981,575 shares lodged with PCD Nominee Corporation.

Title of Class	Officers	Amount and Nature of Beneficial Ownership	Citizenship	Percent of Class
Common	Ma. Cristina D. Padolina	38,316 (d)	Filipino	0.0102
Common	Cesar F. Tan	19,735 (d)	Filipino	0.0053
Common	Ma. Flordeliza L. Anastacio	1,302 (d)	Filipino	0.0003
Common	Maria Clara Perlita Erna V. Yabut	4,000 (d)	Filipino	0.0011
Common	Olivia M. Limuaco	12,153 (d)	Filipino	0.0033
Common	Teresa R. Perez	3,226 (d)	Filipino	0.0009
Common	Corazon M. Tiongco	10,115,604 (d)	Filipino	2.7162
Common	Bernardita T. Traje	753 (d)	Filipino	0.0002
-	Ma. Rolina S. Servitillo	0 (d)	Filipino	0
-	Carlito B. Olaer	0 (d)	Filipino	0
-	Rhoda C. Aguilar	0 (d)	Filipino	0
-	Jericho P. Orlina	0 (d)	Filipino	0
-	Bella Marie L. Fabian	0 (d)	Filipino	0
Total (excluding shares of Ma. Cristina D. Padolina, Corazon M. Tiongco)		41,169 (d)		0.0110
Aggregate Number of Shares and Percentage of all Security Ownership of Management as a Group		60,488,745 (d) =====		16.24 =====

3. There is no voting trust or similar agreement with respect to any portion of the outstanding shares, nor any agreement which may result in a change in control of the University.

#### Item 5. Directors and Executive Officers.

a. 1. The following are the incumbent directors and officers of the University:

#### **DIRECTORS**<sup>2</sup>

BASILIO C. YAP, 67 years old, Filipino, was elected Board member and Chairman of the Board of Directors of the University on April 25, 2014. In 1972, he graduated from De La Salle University with the degree of Bachelor of Science in Commerce major in Accounting, (*cum laude*). He is a Certified Public Accountant. In 1978, he earned his masters degree in Business Management from Asian Institute of Management. He is also the Chairman, President and Director of U.S. Automotive Co. Inc., USAUTOCO Inc., Philtrust Realty Corporation, Manila Prince Hotel, Cocusphil Development Corporation, U.N. Properties Development Corporation and Seebreeze Enterprises, Vice Chairman of Philtrust Bank, Chairman and Director of Manila Hotel Corporation, Chairman of the Board of Manila Bulletin Publishing Corporation. He is also the Chairman of Centro Escolar University Hospital, Inc. and Centro Escolar Las Piñas, Inc.

<sup>2</sup> All directors hold office for one (1) year and until their successors are elected and qualified. All directors, except for the independent directors, are nominated on the floor.

MA. CRISTINA D. PADOLINA, 71 years old, Filipino, is the President, Vice Chairman and Chief Academic Officer of the University. She was elected as a member of the Board of Directors and President of the University on August 18, 2006, and as Vice Chairman on July 25, 2008. She graduated from the University of the Philippines with the degree of Bachelor of Science in Chemical Engineering. She also holds a degree of Master of Science (Chemistry) from the Ateneo de Manila University and the degree of Doctor of Philosophy (Inorganic Chemistry) from the University of Texas at Austin. On secondment from her post as Professor of Chemistry at UP Los Baños, she served as Chancellor of the Open University from 1995 to 2001 and as Commissioner of the Commission on Higher Education from 2001 to 2005. She is Professor Emeritus of the University of the Philippines, Los Baños. She is also a Director of Centro Escolar University Hospital, Inc., Centro Escolar Integrated School and Vice-Chairman and President of Centro Escolar Las Piñas, Inc.

ANGEL C. ALCALA, 88 years old, Filipino, is an independent director. He became a member of the Board of Directors of the University on July 22, 2008. He is currently a member of the University's Audit Committee. He graduated from Silliman University with a degree in B.S. Biology (*magna cum laude*), and obtained his M.A. Biological Sciences and Ph.D., Biological Sciences from the Stanford University. He received a Doctor of Humanities (*Honoris Causa*) degree from Xavier University. He was formerly the President of Silliman University; Deputy Executive Director of Philippine Council for Aquatic and Marine Research and Development, Department of Science and Technology (DOST); Secretary of Department of Environment and Natural Resources (DENR); and Chairman of the Commission on Higher Education (CHED). He is presently the Chairman of the Silliman University-Angelo King Center for Research and Environmental Management (SUAKCREM), PATH Foundation Philippines, National Network of Quality Assurance Agencies, Inc., Professor Emeritus, Siliman University, Member, Board of Trustees, Silliman University and President of Cap College, Makati.

EMIL Q. JAVIER, 76 years old, Filipino, is an independent director. He became a member of the Board of Directors of the University in July 2002. He is currently the Chairman of the University's Audit Committee and a member of the Nomination Committee. He graduated from the University of the Philippines, Los Baños with a degree of B.S. Agriculture (*cum laude*). He also holds a degree of M.S. Agronomy from the University of Illinois and Ph.D. in Plant Breeding from Cornell University. He is Chairman of the Coalition for Agricultural Modernization in the Philippines, a Trustee of the Asia Rice Foundation, Head Advisor of the Biotech Coalition of the Philippines and Academician of the National Academy of Science and Technology (Phil.). He is likewise a Board Member of the International Service for the Acquisition of Agri-Biotech Applications (South East Asia Center), and Nutrition Center of the Philippines. He is also an Independent Director of Centro Escolar University Hospital, Inc., Centro Escolar Las Piñas, Inc. and Independent Director of Del Monte Pacific Ltd. and Member, Advisory Committee of Japan International Cooperation Agency (JICA), Philippines.

BENJAMIN C. YAP, 71 years old, Filipino, was elected as a member of the Board of Directors on July 22, 2014. He graduated from University of the East with a degree of Bachelor of Science in Business Administration. He is currently the President and Chairman of the Board of Benjamin Favored Son, Inc., Chairman of the House of Refuge, Director of USAUTOCO, Inc. and Director of Manila Hotel Corporation. He is also a Director of Centro Escolar University Hospital, Inc.

ALEJANDRO C. DIZON, 56 years old, Filipino, was elected as a member of the Board of Directors on August 31, 2007. Dr. Dizon graduated from the UERMMMMC College of Medicine and passed the Philippine Medical Licensure Examination in 1986. He finished his residency in

General Surgery at St. Luke's Medical Center and passed his Specialty Board Examination in General Surgery to become a Diplomate of the Philippine Board of Surgery, Inc. in 1992. He took his postgraduate fellowship training as a G.B. Ong Surgical Scholar at the Queen Mary Hospital, University of Hong Kong. He is a fellow and member of the Board of Regents of the Philippine College of Surgeons, a Fellow of the American College of Surgeons, Charter Fellow of the Philippine Society of General Surgeons Inc., and Examiner and member of the Board of Directors and Governors of the Philippine Board of Surgery Inc. He is currently the Vice President for Quality and Patient Safety and Chief Quality Officer and an Active Consultant in the Institute of Surgery of the St. Luke's Medical Center Quezon City and Global City. He holds an Assistant Professor position in the faculty of UERMMMC College of Medicine.

EMILIO C. YAP III, 45 years old, Filipino, was elected as a member of the Board of Directors on September 1, 2009. He graduated from De La Salle University with the degree of Bachelor of Science in Accountancy. He was conferred with the degree of Doctor of Philosophy in Journalism, *honoris causa* by Angeles University Foundation on March 1, 2009, and Doctor of Business Administration, *honoris causa* by the Pamantasan ng Lungsod ng Maynila on April 16, 2010. He is currently the Chairman of the Board of Manila Prime Holdings, Inc., Director and Vice Chairman of the Board of Manila Bulletin Publishing Corporation, and Director of Manila Hotel, Philtrust Bank and US Automotive Co., Inc.

CORAZON M. TIONGCO, 67 years old, Filipino, has been a member of the University's Board of Directors since 2000. She has been the Assistant Treasurer since August 12, 2005. She obtained her Bachelor of Arts degree from the College of the Holy Spirit. She is currently a member of the Nomination Committee, Head of the Purchasing Committee and the Purchasing Department. She is also a Director of Centro Escolar University Hospital, Inc.

JOHNNY C. YAP, 44 years old, Filipino, was elected as a member of the Board of Directors on October 26, 2007. He graduated from De La Salle University with the degree of Bachelor of Science in Management of Financial Institutions. He was conferred with the degree of Doctor of Philosophy in Humanities, *honoris causa* by Foundation University on March 21, 2010. He is presently the Vice Chairman and Treasurer of Euromed Laboratories, Philippines, Inc., Chairman of the Board of Café France Corporation, Board member of Philtrust Bank, and Director of Centro Escolar Las Piñas, Inc.

The Securities Regulation Code (SRC), and the Revised Code on Corporate Governance require any corporation with a class of equity shares listed for trading in an Exchange is required to have at least two (2) independent directors. Presently, CEU's incumbent independent directors are Angel C. Alcala and Emil Q. Javier.

The nomination, pre-screening and election of independent directors will be made in accordance with Rule 38 of the Amended Implementing Rules and Regulations of the Securities Regulation Code and Section 7, Article 1 of the University's By-laws and Manual on Corporate Governance.<sup>3</sup>

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<sup>3</sup>Section 7, Article 1 of the By-laws provides that the University is required to have at least two (2) independent directors or at least 20% of the board size, whichever is the lesser. The Chairman of the Meeting shall inform all stockholders in attendance of the mandatory requirement of electing independent director/s. In case of failure of election for independent director/s, the Chairman of the Meeting shall call a separate election during the same meeting to fill up the vacancy.



The deadline for submission to the Nomination Committee<sup>4</sup> of recommendations for nominees for independent directors is on June 26, 2017. The date was set by the Nomination Committee during its meeting on May 26, 2017.

## **OFFICERS**

SERGIO F. APOSTOL, 82 years old, Filipino, was elected as the University's Corporate Secretary and Compliance Officer on February 26, 2010. He graduated from Letran College with the degree of Associate in Arts, Bachelor of Laws at Ateneo de Manila University. He is a member of the Board of Directors of Manila Hotel and Chairman and Chief Executive Officer of Kaytrix Agri-Aqua Corporation. He is a member of the Audit and Nomination Committee of Centro Escolar University. He is a Member of the House of Representatives 16<sup>th</sup> Congress.

ANNA RHEA V. SAMSON, 44 years old, Filipino, was elected as Assistant Corporate Secretary and Assistant Compliance Officer on October 15, 2016. She obtained her *Juris Doctor* degree from the Ateneo Law School, and her B.S. Legal Management degree from the Ateneo de Manila University, where she teaches Obligations and Contracts, Business Law, and Labor Laws and Social Legislation. She is an active member of the Integrated Bar of the Philippines (1998) and the State Bar of California (2003). She is also licensed to practice law before the US District Court of the Central District of California, and was the principal of Samson Law Corporation in Los Angeles, California.

CESAR F. TAN, 62 years old, Filipino, was elected as Treasurer on April 11, 2006 and is a member of the Procurement Committee. He graduated from the Far Eastern University with a degree of B.S.C. Accounting and is a career service professional. He was formerly Assistant Treasurer and Assistant Vice President of Liwayway Publishing, Inc. He is also the Treasurer of Centro Escolar University Hospital, Inc. and Centro Escolar Las Piñas, Inc.

TERESA R. PEREZ, 55 years old, Filipino, is the Vice President for Academic Affairs. She is a member of the Purchasing Committee. She graduated from CEU with the degree of B.S. Biology. She holds a Master's degree in Biology and a doctorate degree in Curriculum and Supervision, both from CEU. She has been a faculty member of the University since 1982.

MARIA CLARA PERLITA ERNA V. YABUT, 51 years old, Filipino, is the Vice President for Research and Evaluation. She graduated from the University of the Philippines with the degree of B.S. Secondary Education, major in Mathematics. She obtained a Master's and a doctorate degree in Mathematics Education, both from CEU. She has been with the University since 1990.

OLIVIA M. LIMUACO, 61 years old, Filipino, is the Vice President for Makati and General Dean of Studies. She graduated from CEU with the degree of Bachelor of Science in Pharmacy (*cum laude*). She obtained a Master's degree in Pharmacy and a doctorate degree in Science Education both from CEU. She has been a faculty member of the University since 1977 and holds the rank of University Professor. She became the Head of Science Laboratories from 1981 to 1990. She was appointed Dean of the School of Pharmacy from 1991 to July 2013. She is the secretary-general of Federation of Asian Pharmaceutical

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<sup>4</sup>The Nomination Committee is composed of Dr. Ma. Cristina D. Padolina, chairman; Dr. Emil Q. Javier, Ms. Corazon M. Tiongco and Atty. Sergio F. Apostol, members.

Association (FAPA) from 1991 up to the present. She was the Treasurer of PPhA from 2012 to 2014 and was elected as the President of Philippine Pharmacists Association from July 2014 to June 2016. She is also a member of the Council of Advisers of Philippines Association of Colleges of Pharmacy (PACOP).

MA. FLORDELIZA L. ANASTACIO, 57 years old, Filipino, is the Vice President for CEU Malolos. She earned her Bachelor's Degree in Accounting from La Consolacion College, Manila. She finished her MBA, Ph.D. in Educational Management and Post-Doctoral Course in Total Quality Management. She also completed her Post-Doctoral Program in International Deans' Course in Germany. She is a Certified Public Accountant and holds the rank of University Professor. She is a Research Fellow and Fellow in Accountancy of the Royal Institution of Singapore and the International Academy of Accountants for Business, Research and Education, and a Diplomate in Business Education.

CARLITO B. OLAER, 53 years old, Filipino, is the Vice President for Student Affairs. He served as the Head of the Religion Department and was the Campus Minister of CEU before his appointment as VP for Student Affairs. He holds the degree of A.B. Philosophy (*magna cum laude*) from the Dominican House of Studies and Bachelor of Sacred Theology (*cum laude*) from the University of Santo Tomas. He obtained his Masters in Theology (*magna cum laude*) from San Sebastian College and his doctoral degree in Educational Management from CEU (*with the highest academic distinction*). He has been with the University since 1991.

MA. ROLINA S. SERVITILLO, 48 years old, Filipino, is the Acting Vice President for Administration and Accounting. She earned a degree of Bachelor of Science in Commerce, major in Accounting (*cum laude*) from the Centro Escolar University, Malolos Campus. She is a Certified Public Accountant (CPA) and former Head, Internal Audit Department of the University.

JERICHO P. ORLINA, 49 years old, Filipino, is the Acting Assistant Vice President for Business Affairs. He graduated from Ateneo de Naga University with the degree of Bachelor of Science in Commerce, major in Accounting. He is a Certified Public Accountant. He completed the Post-Graduate Management Development Program of Asian Institute of Management. He is a member of Philippine Institute of Certified Public Accountants (PICPA) and Institute of Internal Auditors.

BELLA MARIE L. FABIAN, 54 years old, Filipino, is the Acting Assistant Vice President for Administration. She graduated from University of the East with a degree of Bachelor of Science in Business Administration-Accounting. She obtained her Masters degree in Business Administration-Management and doctorate degree of Doctor of Philosophy in Business Management.

RHODA C. AGUILAR, 44 years old, Filipino, is the University Registrar. She is a member of the Administrative Council. She graduated from CEU with the degree of BSE major in Mathematics (*magna cum laude*). She obtained her Master's degree in Mathematics Education and doctorate degree in Curriculum and Supervision. She is a career service professional (exempted given to honor student) and the Professional Board Examination for Teachers (*8<sup>th</sup> place*).

BERNARDITA T. TRAJE, 56 years old, Filipino, is the University's Assistant Controller. She served as Assistant Treasurer from August 2001 to August 2006. She graduated from the Polytechnic University of the Philippines. She is a Certified Public Accountant (CPA). She has been with the University since 1980.

## 2. Significant Employees

All employees are expected to make reasonable contribution to the success of the business of CEU. There is no "significant employee" as defined in Part IV(A)(2) of the SRC Rule 12 (i.e., a person who is not an executive officer of the registrant but who is expected to make a significant contribution to the business).

## 3. Family Relationships

Mr. Basilio C. Yap and Mr. Benjamin C. Yap are relatives within the second degree of consanguinity likewise Dr. Emilio C. Yap III and Dr. Johnny C. Yap are relatives within the second degree of consanguinity. Mr. Basilio C. Yap and Mr. Benjamin C. Yap who are relatives within the second degree of consanguinity and Dr. Emilio C. Yap III and Dr. Johnny C. Yap who are also within the second degree of consanguinity are relatives within the third degree of consanguinity.

## 4. Pending Legal Proceedings

The University is not aware of any legal proceeding in the past five (5) years to date involving its directors and officers that are material to the evaluation of the ability and integrity of any director or officer of the University.

No director or officer has been convicted by final judgment during the last five (5) years up to the present of any offense punishable by Philippine laws or by the laws of any other country.

CEU has no knowledge of pending legal proceedings against any of its directors or executive officers involving: (a) any bankruptcy petition filed by or against any business of which its directors or executive officers is subject; or (b) any judgment or decree permanently or temporarily limiting or suspending their involvement in any type of business, securities, commodities or banking activities; or, (c) any violation of a securities or commodities law or regulation and the judgment has not been reversed, suspended or vacated.

## 5. Certain Relationships and Related Transactions

The University entered into a 25-year lease contract with Philtrust Bank on July 29, 2004. The lease covers the use of Philtrust Bank's land, building and improvements thereon located at 259-263 Sen. Gil Puyat Avenue and Malugay Street, Makati City. The lease commenced on January 1, 2005 for the operation of the CEU-Makati Extension Campus for school year 2005-2006. Lease of the building from Philtrust Bank is for the exclusive purpose of maintaining and operating an extension campus in Makati City, and to conduct therein all such activities necessary to provide adequate educational instruction and other services to its students, including authorized extra-curricular activities. The consideration for the lease was principally based on the valuation of the property by Asian Appraisal, Inc. and on the financial advisory by Buenaventura, Echauz and Partners. Except for the respective parties' covenants

under said lease contract between CEU and Philtrust Bank, there is no further contractual or other commitment resulting from the arrangement that would pose any risk or contingency. There are no other parties involved in this transaction.

The University, in line with its expansion program and for marketing purposes, avails of advertising services of Manila Bulletin Publishing Corporation. The terms of said advertising transactions are based on terms similar to those offered to non-related parties.

The University rented rooms and facilities of Manila Hotel, an affiliate of the University, as venue for commencement exercises.

For a detailed discussion on related party transactions, please see Note 21 of the 2017 Audited Financial Statements.

b. There is no director who has declined to stand for re-election to the Board of Directors since the date of the last annual stockholders' meeting because of disagreement with the University on matters relating to operations, policies and practices.

#### Item 6. Compensation of Directors and Officers

1. The aggregate compensation paid or accrued during the last two (2) fiscal years and to be paid in the ensuing calendar year to the University's President and five (5) most highly compensated executive officers as a group are as follows:

<u>Name and Position</u>	<u>Fiscal Year</u>	<u>Annual Salary</u>	<u>Bonus</u>	<u>Other Annual Compensation</u>	<u>Total Compensation</u>
Dr. Ma. Cristina D. Padolina, President					
Dr. Olivia M. Limuaco, Vice President – Makati Campus					
Dr. Teresa R. Perez, Vice President – Academic Affairs	2015-2016	₱11,494,660.72	₱1,507,201.51	N.A.	₱13,001,862.23
	2016-2017	₱11,004,308.45	₱1,557,422.45	N.A.	₱12,561,730.90
	2017-2018***	₱11,004,308.45	₱1,557,422.45	N.A.	₱12,561,730.90
Dr. Erna V. Yabut, Vice President – Research and Evaluation					
Dr. Ma. Flordeliza L. Anastacio, Vice President – Malolos Campus					

\*\*\*Figures are estimated amounts.

2. The aggregate compensation paid or accrued during the last two (2) fiscal years and to be paid in the ensuing calendar year to all other officers and directors as a group are as follows:

<u>Name and Position</u>	<u>Fiscal Year</u>	<u>Annual Salary</u>	<u>Bonus</u>	<u>Other Annual Compensation</u>	<u>Total Compensation</u>
All Officers and Directors as a Group	2015-2016				₱28,046,665.85
	2016-2017				₱30,373,126.49
	2017-2018***				₱30,373,126.49

3. The Directors do not receive compensation for services provided as a director other than reasonable per diems for attendance at meetings of the Board or any of its committees.<sup>5</sup>

4. There are no bonus, profit sharing stock options warrants, rights of other compensation plans or arrangements with directors or officers that will result from their resignation, retirement, termination of employment or change in the control of the University.

The duties and responsibilities of the elected corporate officers are specified in the University's By-laws and/or Manual of Corporate Governance.

Other officers whose duties and responsibilities are set by Management are considered regular employees of the University.

5. There are no outstanding warrants or options held by the University's President, executive officers and directors.

#### **Item 7. Independent Public Accountants.**

The accounting firm of Sycip, Gorres, Velayo & Co., Inc. (SGV) served as the University's external auditors for the last fiscal year. The handling partner of SGV is Ms. Josephine Adrienne A. Abarca. There was no change in or disagreement with the external auditor on accounting and financial disclosures.

The University's Manual on Corporate Governance and SRC Rule 68 provide that the University's external auditor shall either be rotated or the handling partner changed every five (5) years or earlier.<sup>6</sup> The University is in compliance with SRC Rule 38, par 3(b)(iv).

The Board, upon recommendation of the Audit Committee<sup>7</sup> proposed the appointment of SGV as the external auditor for fiscal year ending 2016. The approval of the appointment of SGV as external auditors for the current year will be one of the matters to be undertaken during the annual meeting.

<sup>5</sup>During the stockholders' meeting on July 27, 2004, the stockholders approved the grant of annual medical allowance and related bonuses to the members of the Board of Directors.

<sup>6</sup>SGV has served as the University's external auditor since 2000, with Mr. Arnel F. de Jesus (2000-2005), Mr. Ramon D. Dizon (2006-Feb. 2009), Ms. Janet Alvarado-Paraiso (March 2009-July 2013) and Mr. Christian Lauron (Aug. 2013-Sept. 2014), Ms. Josephine Adrienne A. Abarca, (Oct. 2014-up to present) as handling partners.

<sup>7</sup>The Audit Committee is composed of Dr. Emil Q. Javier, chairman, Dr. Angel C. Alcala, Dr. Alejandro C. Dizon and Atty. Sergio F. Apostol, members.

SGV representatives will be present during the stockholders' meeting and will have an opportunity to make a statement if they desire to do so. It is also expected that the attending representatives will be able to respond to appropriate questions.

#### **D. OTHER MATTERS**

##### **Item 15. Action with Respect to Reports**

The approval of the minutes of the annual stockholders' meeting held on July 26, 2016 will be taken up during the meeting.

Agenda for annual stockholders' meeting on July 25, 2017:

1. Call to Order
2. Proof of Notice and Quorum
3. Approval of the Minutes of the Annual Stockholders' Meeting on July 26, 2016
4. Chairman's Address
5. Approval of the Annual Report of the Board of Directors
6. Election of Directors
7. Appointment of External Auditor
8. Other Matters
9. Adjournment

There are no specific acts of the Board of Directors and Management for ratification by the stockholders.

##### **Item 19. Voting Procedures**

- a. The vote required for approval or election

Sec. 24 of the Corporation Code provides that at all elections of directors, there must be present, either in person or by representative authorized to act by written proxy, the owners of majority of the outstanding capital stock. Candidates receiving the highest number of votes shall be declared elected.

Article I, Section 3 of the By-laws provides that in case of election of directors, every stockholder entitled to vote shall have the right to cumulate his shares, and give one candidate as many votes as the number of directors to be elected, multiplied by the number of his shares shall equal.

- b. The method by which votes will be counted

Article I, Section 3 of the By-laws provides that except as otherwise provided by the Corporation Law, at each meeting of the stockholders, every stockholder entitled to vote thereat shall be entitled to one (1) vote in person or by proxy for each share of stock of the University subscribed for by him or held by him and registered in his name on the books of the University.

The Professional Stock and Transfer, Inc. will assist in the counting of votes.

**PART III  
SIGNATURE PAGE**

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Manila on June 20, 2017.

**CENTRO ESCOLAR UNIVERSITY**

By:

A handwritten signature in black ink, appearing to read 'S. Apostol', is written over a diagonal line that extends from the bottom left towards the top right.

**SERGIO F. APOSTOL**  
Corporate Secretary/Compliance Officer



# CENTRO ESCOLAR UNIVERSITY

Office of the Corporate Secretary

## NOTICE OF ANNUAL STOCKHOLDERS' MEETING

To the Stockholders of Centro Escolar University:

Notice is hereby given that the Annual Meeting of the Stockholders of CENTRO ESCOLAR UNIVERSITY (CEU) will be held on Tuesday, July 25, 2017, 3:00 P.M., at the University's Information Science Center, Mezzanine Floor, 9 Mendiola Street, San Miguel, Manila, to consider and take action upon the following matters:

1. Call to Order
2. Proof of Notice and Quorum
3. Approval of the Minutes of Annual Stockholders' Meeting on July 26, 2016
4. Chairman's Address
5. Approval of the Annual Report of the Board of Directors
6. Election of Directors
7. Appointment of External Auditor
8. Other Matters
9. Adjournment

All stockholders of record as of the close of business on July 5, 2017 are entitled to notice and to vote at the annual meeting and at any adjournment thereof. The stock and transfer book of the University will be closed from July 5, 2017 to July 25, 2017.

If you cannot attend the meeting personally, you may designate your authorized representative by submitting a PROXY instrument in accordance with Section 58 of the Corporation Code to the office of the stock transfer agent at the address below by July 14, 2017. Proxies will be validated on July 20, 2017.

Professional Stock Transfer, Inc.  
10/F Telecom Plaza  
316 Gil Puyat Avenue  
Salcedo Village, Makati City

Manila, Philippines, July 4, 2017.

  
**SERGIO F. APOSTOL**  
Corporate Secretary

MANILA AND MALOLOS CAMPUSES



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• CHED Center of Excellence in Teacher Education • CHED Center of Development in Business Education • HIGHEST NUMBER of programs at HIGHEST LEVEL of accreditation, Level IV, by PACUCOA certified by FAAP: Biology, Psychology, Pharmacy, Business Administration, Dentistry, Optometry, Nutrition and Dietetics, Liberal Arts (Mass Communication and Political Science), Education, and Medical Technology





# CENTRO ESCOLAR UNIVERSITY

Office of the Corporate Secretary

## ANNUAL STOCKHOLDERS' MEETING

Tuesday, July 25, 2017

3:00 P.M.

CEU Information Science Center, Mezzanine Floor  
9 Mendiola Street, San Miguel, Manila

### A G E N D A

1. Call to Order
2. Proof of Notice and Quorum
3. Approval of the Minutes of the Annual Stockholders' Meeting on July 26, 2016
4. Chairman's Address
5. Approval of the Annual Report of the Board of Directors
6. Election of Directors
7. Appointment of External Auditor
8. Other Matters
9. Adjournment

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**MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING  
OF CENTRO ESCOLAR UNIVERSITY  
HELD AT THE CEU INFORMATION SCIENCE CENTER, MEZZANINE FLOOR  
9 MENDIOLA STREET, SAN MIGUEL, MANILA  
ON JULY 26, 2016 3:00 P.M.**

**DIRECTORS PRESENT:**

Mr. Basilio C. Yap, Chairman  
Dr. Ma. Cristina D. Padolina, Vice-Chairman  
Dr. Angel C. Alcala, Director  
Dr. Emil Q. Javier, Director  
Mr. Benjamin C. Yap, Director  
Dr. Emilio C. Yap III, Director  
Ms. Corazon M. Tiongco, Director  
Dr. Johnny C. Yap, Director

**ALSO PRESENT:**

Mr. Cesar F. Tan  
Atty. Sergio F. Apostol  
Atty. Nilo B. Peña  
Atty. Jennifer C. Lee

**ABSENT:**

Dr. Alejandro C. Dizon, Director

No. of Shares Present in person or Represented by Proxy	323,661,004 shares
No. of Outstanding Shares	372,414,400 shares

**I. OPENING PRAYER**

Ms. Corazon M. Tiongco led the opening prayer.

**II. CALL TO ORDER / NOTICE AND QUORUM**

After ascertaining from the Corporate Secretary that notices were properly sent to the stockholders and that a quorum was present, Dr. Ma. Cristina D. Padolina, CEU President and Vice Chairman, called the meeting to order. For records purposes, the proceedings of the stockholders' meeting were tape-recorded.

### **III. APPROVAL OF THE MINUTES OF JULY 28, 2015**

On motion duly seconded, the stockholders unanimously approved the minutes of the annual stockholders' meeting of July 28, 2015.

### **IV. APPROVAL OF THE ANNUAL REPORT OF THE BOARD OF DIRECTORS**

Dr. Padolina presented the highlights of the Annual Report of the Board of Directors. She said that the Chairman's Address is implicit therein. A copy of the annual report is made an integral part of the minutes.

On motion duly seconded, the stockholders unanimously approved the Board of Directors' Annual Report.

### **V. ELECTION OF DIRECTORS**

The President said that the nomination of two (2) independent directors is a mandatory requirement for the University under the Securities Regulation Code and Rule 38 of amended Implementing Rules and Regulations. In compliance therewith, the Board of Directors created a Nomination Committee to nominate the independent directors. The Nomination Committee nominated Dr. Emil Q. Javier and Dr. Angel C. Alcala as independent directors. Therefore, only seven (7) board seats were open for nomination from the floor.

On motion duly seconded, the stockholders unanimously elected the following as directors for fiscal year 2016-2017:

Mr. Basilio C. Yap  
Dr. Ma. Cristina D. Padolina  
Mr. Benjamin C. Yap  
Dr. Alejandro C. Dizon  
Dr. Emilio C. Yap III  
Ms. Corazon M. Tiongco  
Dr. Johnny C. Yap  
Dr. Emil Q. Javier (independent director)  
Dr. Angel C. Alcala (independent director)

### **VI. APPOINTMENT OF EXTERNAL AUDITOR**

On motion duly seconded, the stockholders unanimously appointed Sycip Gorres Velayo & Co. (SGV) as external auditor.

## **VII. OTHER MATTERS**

### **1. Ratification of Acts, Transactions and Resolutions of the Board of Directors and Management for Fiscal Year 2015-2016**

After some discussions, on motion duly seconded, all acts, transactions and resolutions of the University's Board of Directors and of Management for fiscal year 2015-2016 were duly ratified by the stockholders.

### **2. Declaration of Cash Dividend**

Dr. Padolina announced that in the special Board meeting held on July 26, 2016, the Board declared a cash dividend equivalent to twenty centavos (₱0.20) per share to stockholders of record, as of the date of August 16, 2016 with payment date on September 9, 2016.

## **VIII. ADJOURNMENT**

There being no further business to discuss, the meeting was adjourned. The stockholders were invited to join the Board for some refreshments.

(Sgd.) **SERGIO F. APOSTOL**  
Corporate Secretary

**Attested by:**

(Sgd.) **MA. CRISTINA D. PADOLINA**  
Vice Chairman