

**DMCI HOLDINGS, INC.**  
*Guidelines for the Distribution of Cash Dividends  
 Declared by the Board of Directors on May 15, 2014*

**ADVISORY TO STOCKHOLDERS**

**Record Date:** May 30, 2014  
**Payment Date:** June 13, 2014  
**Dividend Amount:** Php1.2 per common share  
 Plus: Special Cash Dividends of Php1.2 per common share

**1. FINAL WITHHOLDING TAX RATES**

The Dividends to be distributed to the stockholders will be subject to the following final withholding tax rates prescribed under the National Internal Revenue Code ("NIRC"):

Taxpayer	Final Withholding Tax Rate
Individual citizen	Ten percent (10%)
Individual resident alien	Ten percent (10%)
Non-resident alien individual	a. Engaged in trade or business - Twenty percent (20%) b. Not engaged in trade or business - Twenty five percent (25%)
Domestic corporation	Not subject to tax
Resident foreign corporation	Not subject to tax
Non-resident foreign corporation ("NRFC")	a. Thirty percent (30%) b. If the tax sparing requirement under Section 28(B)(5)(b), NIRC, is complied with, i.e., that the country of residence of the NRFC allows a deemed paid tax credit of fifteen percent (15%) on taxes due from the NRFC - Fifteen percent (15%)

**Note to Stockholders whose shares are lodged with the Philippine Depository and Trust Corporation or PDTC and their respective Custodians/ Brokers:**

In the case of stockholders whose shares are lodged with the Philippine Depository and Trust Corporation or PDTC (formerly, PCD), whether individuals or non-individuals, resident or non-resident, and whether claiming a withholding tax exemption or not, their respective custodians/brokers shall submit to the Company a **notarized alphabetical list of beneficial owners in the form of Schedule A hereof**, containing the following information:

- a. Name of client beneficial owner (Last Name, First Name, Middle Name for individuals; Complete name for non-individuals)
- b. Tax Identification Number (TIN)
- c. Address of client beneficial owner
- d. Status (Residence/Nationality)
- e. Total shareholding in the Company
- f. Client account code
- g. Broker code
- h. Birth Date (for individuals)/Registration Number and Date of Registration (for non-individuals)

The alphabetical list shall be certified true and correct by the custodian's/broker's President and Head of Settlements, duly notarized, and submitted to the Company **on or before June 5, 2014, 4:00 p.m. (Manila Time)**. The custodian/broker shall ensure that the alphabetical list are consistent with the respective balances as reflected in the PDTC alphabetical list of depository account holders and corresponding total shareholdings submitted by PDTC to the Company.

In case of failure to submit the required information within the time prescribed, the Company will withhold and remit the taxes at the maximum 30% withholding tax rate.

2. **FOR NON-RESIDENT FOREIGN STOCKHOLDERS (CORPORATE OR INDIVIDUAL) CLAIMING ENTITLEMENT TO A PREFERENTIAL TAX RATE ON DIVIDEND INCOME UNDER A TAX TREATY.** - Any foreign stockholder (the "Claiming Stockholder") claiming entitlement to a preferential tax rate on dividend income under a tax treaty with the Republic of the Philippines shall be required to submit the following documents to the Company **not later than June 9, 2014, 4:00 p.m. (Manila Time)**:

- a. a filed application (together with the documentary requirements) for tax treaty relief prepared in accordance with Revenue Memorandum Order No. 72-2010, which has been duly received by the Bureau of Internal Revenue - International Tax Affairs Division ("BIR-ITAD");

- b. a signed and duly notarized / consularized (if issued abroad) indemnity undertaking in the form attached as **Annex A** hereof; and
- c. for shares lodged with PDTC, the notarized /consularized (if issued abroad) broker's/custodian's list of beneficial owners including, among others, the number of shares owned by and other information relating to the Claiming Stockholder, in the form attached as **Schedule A** hereof.

Upon submission of the documents above, the Claiming Stockholder shall be entitled to avail of the preferential tax rate.

If the Claiming Stockholder is unable to submit the documents within the time prescribed, the Company will withhold and remit the taxes at the applicable withholding tax rates.

**3. FOR NON-RESIDENT FOREIGN CORPORATIONS CLAIMING THE TAX SPARING RATE OF 15%. - Any foreign stockholder (the "Claiming Stockholder") claiming entitlement to the 15% tax rate on dividend income under Section 28(B)(5)(b) of the NIRC shall be required to submit the following documents to the Company not later than June 9, 2014, 4:00 p.m. (Manila Time):**

- a. Certified copy of a BIR ruling addressed to it confirming the application of the tax sparing rate of 15%, and that is valid, current and subsisting as per existing BIR issuances;

- or -

Signed and duly notarized / consularized (if issued abroad) indemnity undertaking in the form attached as **Annex A-1** hereof; and

- b. for shares lodged with PDTC, the notarized /consularized (if issued abroad) broker's/custodian's list of beneficial owners including, among others, the number of shares owned by and other information relating to the Claiming Stockholder, in the form attached as **Schedule A** hereof .

Upon submission of the required document/s, the Claiming Stockholder shall be entitled to avail of the 15% tax sparing rate.

If the Claiming Stockholder is unable to submit the required document within the time prescribed, the Company will withhold and remit the taxes at the regular 30% withholding tax rate.

**4. FOR STOCKHOLDERS CLAIMING TAX EXEMPTION. - Any stockholder (the "Claiming Stockholder") claiming exemption from withholding tax in respect of the Dividends in accordance with any provision of the NIRC or special law shall be required to submit the following documents to the Company not later than June 9, 2014, 4:00 p.m. (Manila Time):**

- a. Certified copy of a BIR ruling addressed to it confirming the exemption claimed, and that is valid, current and subsisting as per existing BIR issuances; and
- b. for shares lodged with PDTC, the notarized /consularized (if issued abroad) broker's/custodian's list of beneficial owners including, among others, the number of shares owned by and other information relating to the Claiming Stockholder, in the form attached as **Schedule A** hereof .

Upon submission of the documents, the Claiming Stockholder shall be entitled to receive the Dividends without deduction for withholding tax.

If the Claiming Stockholder is unable to submit the required documents within the time prescribed, the Company will withhold and remit the taxes at the applicable withholding tax rates.

5. Custodians/brokers are advised to inform their clients of the specific requirements stated in these guidelines immediately upon issuance hereof, in order that the required documents may be prepared and/or obtained and submitted to the Company within the deadline indicated herein.
6. For any questions on the foregoing, you may contact any of the following:

Mr. Aldric G. Borlaza or Mr. Brian T. Lim  
3/F Dacon Building  
2281 Don Chino Roces Avenue, Makati City  
Tel. No. 888-3000 loc. 1554

Atty. Noel A. Laman  
Atty. Ma. Pilar Pilares-Gutierrez  
Atty. Regina G. Santos  
The Valero Tower  
122 Valero Street, Salcedo Village, Makati City  
Tel No. 817-6791 to 95

Makati City, Metro Manila, May 15, 2014.



NOEL A. LAMAN  
Corporate Secretary

**CERTIFICATION**

I, \_\_\_\_\_, of legal age, Filipino, with office address at \_\_\_\_\_, being the [position] of [NAME OF BROKER/CUSTODIAN/PDTC PARTICIPANT], a corporation duly organized and existing under Philippine law and duly licensed to engage in business as a stockbroker/dealer/trustee, with office address at \_\_\_\_\_, under oath, do hereby certify that \_\_\_\_\_

The following is the list of the beneficial owners of the [no. of shares in words] [no. of shares in figures] shares of DMCI HOLDINGS, INC. ("DMCI HI") held by [NAME OF BROKER/CUSTODIAN/PDTC PARTICIPANT], in its capacity as agent/broker/trustee, as of May 30, 2014, the record date for the dividends declared by DMCI-HI's Board of Directors on May 15, 2014:

Seq. No.	Names of Client Beneficial Owners (Last Name, First Name, Middle Name for individuals; Complete Name for non-individuals)	Addresses of Beneficial Owners	TIN	Nationality / Residence/Place of Incorporation	Total Shareholding	Birth date/Registration number and date of registration	Client account code	Broker code

IN WITNESS WHEREOF, this Certification has been signed this \_\_\_\_\_ day of \_\_\_\_\_ 2014 in \_\_\_\_\_, Philippines.

\_\_\_\_\_  
[Name]  
[President/Equivalent Position]

\_\_\_\_\_  
[Name]  
[Head of Settlement/Equivalent Position]

SUBSCRIBED AND SWORN to before me, a Notary Public for and in the City of \_\_\_\_\_, Philippines, this \_\_\_\_\_, by  
affiants who are personally known to me and whose identities I have confirmed through their respective competent proofs of identity bearing their photograph  
and signature:

Name of Affiant

Passport/Driver's License No.

Date and Place of Issue

Doc. No. \_\_\_\_\_;  
Page No. \_\_\_\_\_;  
Book No. \_\_\_\_\_;  
Series of 2014

*Annex A*  
*Indemnity - tax treaty*

\_\_\_\_\_  
(Date)

DMCI HOLDINGS, INC.  
3/F Dacon Building  
2281 Don Chino Roces Avenue Extension  
1231 Makati City, Philippines

Attention: Mr. Isidro A. Consunji  
President

Re: Indemnity Undertaking

Gentlemen:

On \_\_\_\_\_, 2014, an application (copy enclosed) was submitted to the BIR for a ruling confirming that the cash dividends due from DMCI Holdings, Inc. (the "Company") to \_\_\_\_\_, [a citizen of \_\_\_\_\_ and residing \_\_\_\_\_ in \_\_\_\_\_ a corporation organized and existing under the laws of \_\_\_\_\_ and with \_\_\_\_\_ principal place of business \_\_\_\_\_ at \_\_\_\_\_] (the "Stockholder") in the amount of \_\_\_\_\_ (Php\_\_\_\_) pursuant to the declaration of the Board of Directors of the Company in its meeting held on May 15, 2014 (the "Dividends"), are subject to a withholding tax rate of \_\_\_\_\_ percent ( \_\_\_ %) pursuant to the tax treaty between \_\_\_\_\_ and the Republic of the Philippines (the "Ruling").

To avail of a preferential tax rate under a tax treaty, BIR Revenue Memorandum Order ("RMO") No. 72-2010 (Aug. 25, 2010) requires that a tax treaty relief application ("TTRA")<sup>1</sup> be filed with the International Tax Affairs Division ("ITAD") of the BIR before the transaction (i.e., payment of dividends), together with all the supporting documents justifying the relief sought, as enumerated in the RMO.

The undersigned stockholder (the "Stockholder") anticipates that it may take some time for a Ruling to be issued by the BIR.

The Company, as the withholding agent of the Philippine government for the withholding of taxes due on dividends to nonresident alien individuals and foreign corporations, is made primarily responsible for the remittance of the correct amount of withholding taxes due on those dividends to the BIR. Further, penalties are imposed upon the Company under Philippine law for failure to do so.

<sup>1</sup> The approval of a TTRA takes the form of a BIR ruling.

The undersigned hereby requests the Company to withhold taxes based on the preferential tax treaty rate for remittance to the BIR. To induce the Company to withhold and remit the tax at the preferential tax treaty rate, in the event that the Ruling is denied or that a withholding tax rate higher than the preferential tax rate is determined to apply to the Dividends, the Stockholder agrees and acknowledges that [he/she/it] will be solely liable for, and will promptly pay when due, any taxes, fees, charges or other amounts (including interest and penalties) due to any authorities in the Philippines with respect to the Dividends. For this purpose, the Stockholder undertakes to pay to the Company whatever amounts may be required to pay for any shortfall in the amount of tax withheld and remitted. Furthermore, the Stockholder expressly authorizes the Company to pay over to the Philippine tax authorities any amounts that the Company may hold belonging to the Stockholder to settle any deficiency tax liability of the Stockholder arising from the receipt of the Dividends.

Stockholder further agrees that it will indemnify and hold the Company and its shareholders, directors, officers, employees, agents and assignees harmless from and against any and all claims, losses, expenses, taxes, penalties or fines incurred in relation to the filings or payments of, or failure to file or pay, any amounts to the Philippine tax authorities due to or on account of the Dividends.

The Stockholder accepts the continuity of this indemnity undertaking which shall survive a transfer of shares. The Stockholder undertakes to submit a copy of the BIR Ruling to the Company, once issued, within five (5) days from receipt thereof.

\_\_\_\_\_  
(Name and signature of Stockholder or  
authorized representative)

Agreed and accepted on \_\_\_\_\_, 2014 by:

DMCI HOLDINGS, INC.

By:

Isidro A. Consunji  
President

(NOTARIAL ACKNOWLEDGMENT & CONSULARIZATION)

\_\_\_\_\_  
(Date)

DMCI HOLDINGS, INC.  
3/F Dacon Building  
2281 Don Chino Roces Avenue Extension  
1231 Makati City, Philippines

Attention: Mr. Isidro A. Consunji  
President

Re: Indemnity Undertaking

Gentlemen:

This refers to the cash dividends due from DMCI HOLDINGS, INC. (the "Company") to \_\_\_\_\_, [a corporation organized and existing under the laws of \_\_\_\_\_ and with principal place of business \_\_\_\_\_] at \_\_\_\_\_ (the "Stockholder") in the amount of \_\_\_\_\_ (Php \_\_\_\_\_) pursuant to the declaration of the Board of Directors of the Company in its meeting held on May 15, 2014 (the "Dividends").

The Stockholder requests the Company to apply a withholding tax rate of fifteen percent (15 %) on the Dividends pursuant to Section 28(B)(5)(b) of the National Internal Revenue Code (the "Tax Sparing Provision"), which reduces from 30% to 15% the withholding tax on dividends received by a nonresident foreign corporation on the condition that the country of residence of the Stockholder will allow the latter a *credit* for taxes deemed to have been paid in the Philippines (but actually waived or spared) equivalent to 15%, representing the difference between the regular income tax rate of 30% and the 15% tax sparing rate.<sup>1</sup>

In this connection, it hereby represents and warrants:

- (a) That [the country of residence of Stockholder], in accordance with its laws now currently in force, fulfills the foregoing 'deemed paid tax credit' condition.
- (b) That it shall comply with Revenue Memorandum Circular No. 80-91 requiring the submission by the Stockholder of documents showing the actual amount credited by the foreign government against the foreign income tax due from the Stockholder in respect of the Dividends. The documents required under RMC 80-

<sup>1</sup> Based on jurisprudence, the above 'deemed paid tax credit' condition is also met if the residence country of the Stockholder fully exempts the Dividends from tax in the residence country. (*Commissioner of Internal Revenue vs. Wander Philippines, Inc.*, 160 SCRA 573)

91 may only be provided after the payment of the Dividends and the filing of its own income tax return in its country of residence. It is only upon presentation of those documents to the Bureau of Internal Revenue ("BIR") that its entitlement to the tax sparing rate may be determined.

The Stockholder acknowledges that the Company, as withholding agent, is made primarily responsible for the remittance of the correct amount of withholding taxes due on the Dividends. Further, penalties are imposed upon the Company under Philippine law for failure to do so. In view thereof, the Stockholder undertakes:

(a) to indemnify and hold the Company and its shareholders, directors, officers, employees, agents and assignees harmless from and against any and all claims, losses, expenses, taxes, penalties or fines incurred in relation to the filings or payments of, or failure to file or pay, any amounts to the Philippine tax authorities due to or on account of the Dividends;

(b) in the event of an assessment issued by the BIR for the Company's failure to file or pay the correct amount of tax to the Philippine tax authorities on the basis of the Stockholder's representations stated herein, to be solely liable for, and promptly pay when due, any taxes, fees, charges or other amounts (including interest and penalties) due to any authorities in the Philippines with respect to the Dividends. For this purpose, the Stockholder undertakes to pay to the Company whatever amounts may be required to pay for any shortfall in the amount of tax withheld and remitted. Furthermore, the Stockholder expressly authorizes the Company to pay over to the Philippine tax authorities any amounts that the Company may hold belonging to the Stockholder to settle any deficiency tax liability of the Stockholder arising from the receipt of the Dividends; and

(c) to submit to the Company proof of compliance with RMC 80-91, including copies of documents provided to the BIR in connection therewith.

The Stockholder accepts the continuity of this indemnity undertaking which shall survive a transfer of shares.

\_\_\_\_\_  
(Name and signature of Stockholder or authorized representative)

Agreed and accepted on \_\_\_\_\_, 2014 by:

DMCI HOLDINGS, INC.

By:

Isidro A. Consunji  
President

(NOTARIAL ACKNOWLEDGMENT & CONSULARIZATION)