



MEMORANDUM

CN - No. 2020-0080

THE PHILIPPINE STOCK EXCHANGE, INC.

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|---|--|
| <input type="checkbox"/> Trading | <input type="checkbox"/> Public Advisory |
| <input type="checkbox"/> Disclosure | <input type="checkbox"/> Administrative/Technology Matters |
| <input checked="" type="checkbox"/> Listing | <input type="checkbox"/> Others: |

TO : ALL LISTED COMPANIES AND THE INVESTING PUBLIC

SUBJECT : REVISIONS TO THE MANDATORY LOCK-UP RULE FOR SMALL, MEDIUM AND EMERGING (SME) BOARD LISTING

DATE : August 14, 2020

Please be advised that the Securities and Exchange Commission (“SEC”) approved the revisions to Article III, Part E, Section 2 of the PSE Listing Rules or the rule on mandatory lock-up for companies listing in the Small, Medium and Emerging (SME) Board of the Exchange (the “SME Lock-Up Rule”).

The SME Lock-Up Rule has been amended to read as follows:

**ARTICLE III
EQUITY SECURITIES**

**PART E
SMALL, MEDIUM AND EMERGING (SME) BOARD LISTING**

...

SECTION 2. Lock-Up -

- (a) The Applicant Company shall cause its existing NON-PUBLIC stockholders AND THEIR RELATED PARTIES to refrain from selling, assigning, encumbering or in any manner disposing of their shares for a period of one (1) year after the listing of such shares. ALL OTHER STOCKHOLDERS SHALL NOT BE SUBJECT TO MANDATORY LOCK-UP UNDER THIS PROVISION.

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FOR PURPOSES OF THIS SECTION, "NON-PUBLIC STOCKHOLDERS" SHALL MEAN THE APPLICANT COMPANY'S: (I) PRINCIPAL STOCKHOLDERS (*I.E.*, THE OWNER OF TEN PERCENT (10%) OR MORE OF THE ISSUED AND OUTSTANDING SHARES); (II) SUBSIDIARIES OR AFFILIATES; (III) DIRECTORS; (IV) PRINCIPAL OFFICERS; AND (V) ANY OTHER PERSON WHO HAS SUBSTANTIAL INFLUENCE ON HOW THE APPLICANT COMPANY IS BEING MANAGED.

THE TERM "RELATED PARTIES" SHALL MEAN THE NON-PUBLIC STOCKHOLDER'S: (I) PRINCIPAL STOCKHOLDERS (*I.E.*, THE OWNER OF TEN PERCENT (10%) OR MORE OF THE ISSUED AND OUTSTANDING SHARES); (II) SUBSIDIARIES OR AFFILIATES; (III) DIRECTORS; (IV) PRINCIPAL OFFICERS; AND (V) MEMBERS OF THE IMMEDIATE FAMILIES SHARING THE SAME HOUSEHOLD OF ANY OF ITS PRINCIPAL STOCKHOLDERS, DIRECTORS, OR PRINCIPAL OFFICERS.

If there is any issuance or transfer of shares (*i.e.*, private placements, asset for shares swap or a similar transaction) or instruments which lead to issuance of shares (*i.e.*, convertible bonds, warrants or a similar instrument) done and fully paid for within six (6) months prior to the start of the offering period, or, prior to listing date in case of companies listing by way of introduction, and the transaction price is lower than that of the offer price in the Initial Public Offering, or listing price for listing by way of introduction, all shares subscribed or acquired shall be subject to a lock-up period of at least one (1) year from listing of the aforesaid shares.

The lock-up requirement shall be stated in the Articles of Incorporation of the Applicant Company.

- (b) The foregoing lock-up requirement shall be implemented in the manner provided in Section 17, Part A, Article III of the Revised Listing Rules.

The foregoing revised SME Lock-Up Rule shall take effect immediately.

For your information and guidance.

(Original Signed)
Ramon S. Monzon
President and CEO

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