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INVOLUNTARY DELISTING

Policy on Delisting of listed securities

To ensure quality of companies listed in the Exchange and to afford additional protection to the investors, securities listed in the Exchange may be suspended from being traded or removed from the list at any time should, after due notice, the Exchange determines the issuer falls under any of the criteria listed below.

Criteria For Delisting

A listed company that is experiencing one of the following conditions shall be considered for delisting:

(a) The listed company has failed to comply with the Listing Agreement or the Listing and Disclosure Rules of the Exchange, now or hereinafter in effect, despite notice and after the lapse of the period specified;

(b) A false market exists in any securities of the issuer concerned and such false market can be attributed, whether directly or indirectly, solely to the issuer (e.g., information spread by the issuer which triggered or resulted in the active trading of the security(ies) of the issuer and the same was later found or proven to be untrue or concocted to create false market; trading of the security(ies) without actual buyer or seller);

(c) In case the trading volume of the listed company falls below the trading volume requirement of the Exchange that will be published; .

(d) Should the listed company be rendered incapable of continuing the business or accomplishing the purpose for which it was incorporated by reason of the abandonment, destruction, condemnation, seizure or expropriation of its operating assets;

(e) Whenever liquidation of the listed company's assets has been authorized, or dissolution of the listed company has been ordered by any competent authority. An

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announcement by the listed company of an intent to file, or the actual filing of, proceedings for suspension of payments or under the Insolvency law, or the listed company otherwise becomes the subject of legal proceedings under the Insolvency Law shall merit an immediate suspension of the trading of security(ies) of the listed company;

(f) The stockholders' equity becomes negative;

(g) When the listed company's security registration or exemption from registration pursuant to the Securities Regulation Code is no longer effective for any reason, or its registration with the Securities and Exchange Commission has been revoked or canceled;

(h) Whenever the listed company's entire outstanding amount of a listed class, or series is to be retired through payment at maturity, or through redemption, reclassification or otherwise;

(i) The listed company repeatedly fails to make timely, adequate, and accurate disclosures of information, or fails to submit any reportorial requirement to the Exchange, its shareholders and the investing public in accordance with the Disclosure Rules of the Exchange, or willfully makes a false statement in the financial statements;

(j) Whenever it is shown that the listed company has made a purchase of its securities in violation of the requirements specified in Section 41 of the Corporation Code and other related laws; .

(k) If the listed company has failed to be in actual commercial operations within two (2) years from date of listing. A listed company shall be considered in actual commercial operation if it can show that it has valid projects with realistic timetable or executed contracts relative to its principal business; and

(l) If the listed company or its management shall-engage in operations which, under the law, are contrary to the public interest, and the continuation of listing is likely to give rise to an unacceptable risk of damage to the reputation of the Exchange.

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Procedure For Delisting

Should the Listing Committee ascertain, upon recommendation of the Listings & Disclosure Group, that a listed security of a company must be removed from the list, the Exchange shall notify the company in writing, describing the basis for such recommendation and the specific criterion under which such action is based. The notice shall likewise inform the company that it is entitled to a hearing before the Listing Committee, provided, a written request is filed with the Exchange within fifteen (15) working days from receipt of said notice.

Should the company decide not to or fail to request for a hearing within the specified period above, the Exchange shall order the delisting of the securities of the concerned company. A copy of the said Order shall be furnished to the company. One (1) Motion for Reconsideration may be filed within five (5) working days from receipt of copy of said letter. Should the period for filing said Motion lapsed or the same be denied, the Exchange shall make an announcement to all member-brokers/investing public of the order of delisting.

If a hearing is requested by the company, the same shall be held before the Listing Committee composed of at least five (5) incumbent members. Any appointed member of the said Committee who has either direct or indirect interest in common with the company the security of which is being considered for delisting is refrained or shall inhibit himself/herself from participating in deciding the case. Together with the said request, the company must likewise submit its memorandum or position paper and any other documents or evidence it deems necessary for the proper appreciation of the matter. Notices for the hearing shall be furnished to the company and the Listings & Disclosure Group at least fifteen (15) working days prior to the date of hearing.

The company and the Listings & Disclosure Group shall submit to the Office of the General Counsel of the Exchange additional documents or evidence which they deem necessary for the proper appreciation or consideration of the matter, at least ten (10) working days prior to the date of hearing to ensure the dissemination of such papers/materials to the members of the Committee and the other parties.

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During the hearing, the company and the Listings & Disclosure Group of the Exchange must prove their respective cases through the presentation of testimonial evidence, and arguments before the Committee. Parties may present any witnesses they wish who shall be subject to cross-examination by the opposing side and questioning from the members of the Committee. The form and manner in which the actual hearing shall be conducted will be established by the Committee so as to ensure the orderly conduct of the proceedings. The proceedings shall be held within seven (7) working days, unless the same is extended upon mutual agreement of the parties.

After conclusion of the proceedings and deliberation on all the evidence and arguments presented, the Committee shall render a decision. The decision shall be rendered not later than fifteen (15) working days from conclusion of hearing. Only one (1) Motion for Reconsideration shall be allowed and the same must be filed within five (5) days from receipt of the copy of the decision. The decision shall become final should the period for filing of said Motion for Reconsideration lapse, or the said motion has been denied.

The decision of the Exchange may contain any of the following recommendation:

- (i) to maintain the listing of said security;
- (ii) temporarily suspend the trading of said security; or
- (iii) remove said security from the registry of the Exchange.

Should the decision for the delisting of the security become final, the Exchange shall order the delisting of the security(ies) of the listed company. The Exchange shall likewise make an announcement relative thereto to all member-brokers/investing public.

Relisting prohibition

A company that has once been delisted cannot apply for relisting within a period of five (5) years from the time it was delisted. Directors and executive officers of a company that has been delisted are disqualified from becoming directors or

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executive officers of any company applying for listing within the same period counted from the time the application for delisting was approved.

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The Exchange will allow the delisting of the security upon request or application of the company if the following are complied with:

- (a) The delisting must be approved by a majority of the Company's incumbent directors.
- (b) All security holders must be notified, in a form satisfactory to the Exchange, of the proposed delisting prior to the filing of the petition.
- (c) A petition for delisting must be filed with the Exchange together with proposed tender offer terms and conditions at least sixty (60) days in advance of the date when delisting shall become effective.
- (d) A tender offer to all stockholders of record must be made. The Company must submit a fairness opinion or valuation report, stating that from a financial point of view of the person making such opinion/report, based upon certain procedures followed and assumptions made, the terms and conditions of the tender offer are fair.
- (e) The person(s) proposing the delisting must show to the Exchange that following the acquisition of the tendered shares, said person(s) have obtained a total of at least ninety-five percent (95%) of the issued and outstanding shares of the Company. However, if at the time the petition for delisting is filed, the person(s) proposing the delisting are already the beneficial owners of ninety-five percent (95%)

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of the issued and outstanding shares of the Company, said person(s) shall still be required to make a tender offer to all other stockholders of record.

- (f) The listed company applying for delisting must not have any unpaid fees or penalties.

The Order of delisting shall be prepared if after evaluation of the petition and required documents, the Exchange finds that the delisting will not prejudice the interests of the investors.

In the event that an issuer seeks the listing of a security that was once delisted, the same shall be treated as a new listing.

Voluntary Delisting Fee

A listed company applying for voluntary delisting must, upon approval of its delisting, pay the Exchange the amount equivalent to its annual listing maintenance fee for the year when the application for delisting was filed.