



MEMORANDUM

THE PHILIPPINE STOCK EXCHANGE, INC.

- Trading
- Disclosure
- Listing
- Public Advisory
- Administrative/Technology Matters
- Others: **Supplemental Listing and Disclosure Rules for PPP Companies**

TO : INVESTING PUBLIC AND ALL TRADING PARTICIPANTS

DATE : December 8, 2016

SUBJECT : SUPPLEMENTAL LISTING AND DISCLOSURE RULES APPLICABLE TO A PPP COMPANY

Please be advised that The Philippine Stock Exchange, Inc.'s Supplemental Listing and Disclosure Rules Applicable to a PPP Company ("PPP Listing and Disclosure Rules") were approved by the Securities and Exchange Commission in its meeting on November 8, 2016.

Please find attached a copy of the approved PPP Listing and Disclosure Rules.

For your information and guidance.

Hans B. Sicat

HANS B. SICAT
President and CEO

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Tel. No. 688-7561 / 688-7562	Tel. No. 891-4430 / 688-7480	Tel. No. 688-7510	Tel. No. 688-7534 / 688-7529	Tel. No. 688-7411 / 688-7471	Tel. No. 688-7413



Supplemental Listing and Disclosure Rules
Applicable to a PPP Company

Section 1. Rationale – The Philippine Stock Exchange, Inc.'s ("PSE" or the "Exchange") Supplemental Listing and Disclosure Rules applicable to a PPP Company (the "Rules") are being issued to supplement the general listing and disclosure requirements under the PSE Listing and Disclosure Rules in support of the Philippine Government's efforts to sustain the country's economic growth through sustainable partnerships with the private sector for infrastructure development. As more Public-Private Partnership projects have been approved and undertaken in recent years, several stakeholders agree that there is a need to tap more sources of funding. Given this, the Exchange is issuing these Rules to allow private sector entities to raise funds from the capital market and allow the listing and trading of their shares in the Exchange.

The implementation of these Rules shall be made in coordination with the Public-Private Partnership Center of the Philippines.

Section 2. Definition of Terms – For purposes of these Rules, unless the context provides otherwise, the following terms shall have the following definitions:

- a. **Amended Build Operate and Transfer ("BOT") Law** – refers to Republic Act (RA) No. 6957, as amended by RA No. 7718.
- b. **Commercial Operations or Maintenance Services** – refers to the start of operations or maintenance services of a PPP Project, or a phase thereof, where, subject to the terms of the PPP Contract, the PPP Company is allowed to charge facility users any or all of the appropriate tolls, fees, rentals, among others, or receive availability payments from the government.
- c. **Implementing Agency** – refers to the department, bureau, office, commission, authority or agency of the national government, including Government-Owned and/or -Controlled Corporations ("GOCCs") which undertook a PPP Project in partnership with the private sector under the Amended BOT Law. The Implementing Agency is primarily responsible for planning, overseeing and monitoring of the PPP Project.

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- d. **Public-Private Partnership ("PPP") Center of the Philippines or the PPP Center** - is the government agency created under Executive Order (EO) No. 8, series of 2010, as amended by EO No. 136, series of 2013, and is responsible, among others, for coordination and monitoring of PPP projects. It also provides advisory services, technical assistance, trainings, and capacity development to Implementing Agencies in PPP projects. The term "PPP Center" shall be intended to also refer to the functional equivalent of the PPP Center, in the event of government reorganization.
 - e. **PPP Company** - refers to a corporation that is engaged in a PPP Project under the Amended BOT Law or any amendment/s thereto.
 - f. **PPP Contract** - refers to the Concession Agreement or contract entered into by the PPP Company with the Philippine Government, through an Implementing Agency, under the Amended BOT Law or any amendment/s thereto.
 - g. **PPP Project** - refers to an infrastructure or development project undertaken by the Philippine Government in partnership with the PPP Company in accordance with the provisions of the Amended BOT Law or any amendment/s thereto.

Section 3. Applicant PPP Company - A PPP Company may apply for listing under these Rules if it is any of the following:

- a. a corporation which was awarded a PPP Contract, or
- b. a special purpose company ("SPC") incorporated by the awarded corporation or awarded joint venture or consortium which shall assume and accede to all rights and obligations of the latter, in accordance with the Amended BOT Law and/or its implementing rules.

Section 4. Exemption on Track Record and Operating History Requirements - A PPP Company which does not possess the required minimum 3-year Track Record and Operating History may apply for listing of its shares in the PSE Main Board, provided, that it complies with the rest of the general requirements set forth in the PSE Main Board Listing Rules, subject to the additional requirements under these Rules.

Section 5. National Projects - The PPP Contract awarded to the PPP Company must be in relation to a PPP Project undertaken by any department, bureau, office, commission, authority or agency of the National Government, including GOCCs.

Section 6. Period for Listing - The PPP Company can apply for initial listing with the PSE upon showing of any of the following:

- a. the PPP Company has completed its construction works, or a phase thereof, in case the PPP Project consists of several phases, and has commenced Commercial Operations and/or Maintenance Services; or
- b. the PPP Company has commenced Commercial Operations, or where there is no Commercial Operations, Maintenance Services, provided that the PPP Contract awarded is not solely for Operations and Maintenance.

For purposes of determining the status or particular phase or stage of the PPP Project, the Exchange shall be guided by the explicit provisions of the PPP Contract, in so far as it is not inconsistent with the Amended BOT Law and its implementing rules which sets forth the terms upon which said PPP Project will be deemed in "Commercial Operations", or has commenced "Maintenance Services" as certified by the PPP Center and/or the Implementing Agency.

Section 7. Minimum Remaining Concession Period - The PPP Contract must have a remaining period of effectivity for at least fifteen (15) years from the date of filing of the initial listing application.

Section 8. Minimum Project Cost - The PPP Project cost shall not be less than Five Billion Pesos (Php 5,000,000,000.00), as indicated in the financial bid.

Section 9. No Secondary Offering - Existing shareholders of the PPP Company prior to initial listing are prohibited from offering their shares in the PPP Company during the initial public offering period.

Section 10. Mandatory Lock-up Period - The principal shareholders of a listed PPP Company shall not sell, assign, or in any manner dispose of their shares for a minimum period of 180 days from initial listing date.

The lock-up period prescribed under these Rules is independent of and different from any lock-up requirement under the PPP Contract, and must be complied with by the PPP Company, separately or simultaneously, as the case may be.

Section 11. Expiration of Term or Termination of the PPP Contract; Submission of Business Plan - As part of the additional disclosure requirements under these Rules, a listed PPP company must submit to the Exchange a business plan which may include its plans for liquidation and winding up, or a proposal for a new business, at least three (3) years before the scheduled expiration of the PPP Contract.

Moreover, in the event of pre-termination of the PPP Contract by the government or by the PPP Company as well as by reason of force majeure, a similar business plan must be submitted to the Exchange by the listed PPP Company within 30 calendar days from the initial disclosure of the pre-termination event. However, the Exchange may shorten the said 30-day period, or may allow submission of said business plan within an extended reasonable period as the circumstances may require.

Should the PPP Company fail to submit the required business plan under this section, the Exchange may impose appropriate sanctions in accordance with the Penalties and Fines for violation of the PSE Listing and Disclosure Rules, without prejudice to the immediate initiation of delisting proceedings, as may be applicable.

Section 12. Delisting – The Exchange may initiate delisting proceedings against the listed PPP Company in the event of pre-termination or expiration of the PPP Contract as well as the assignment thereof by the listed PPP Company to a third party, unless the listed PPP Company can demonstrate in the business plan and other supporting evidence its ability to continue to operate as a going concern.

The grounds and procedure for involuntary delisting set forth in the PSE Delisting Rules as well as other relevant PSE rules or policies shall be applicable for the conduct of the delisting proceedings under these Rules.

Notwithstanding the foregoing, a listed PPP Company may file a petition for voluntary delisting in accordance with the PSE Delisting Rules.

Section 13. Effects of Delisting – The Relisting Prohibition and Disqualification of Directors and Executive Officers as stated in the PSE Delisting Rules will not apply in the event of delisting of a PPP Company on account of expiration of the term of the PPP contract, pre-termination on account of force majeure, or its pre-termination by the government. However, the Exchange may apply said prohibition and disqualification if the delisting is by reason of pre-termination on account of the breach, fault or negligence of the PPP Company.

Section 14. Additional Documentary Requirements for Listing – The PPP Company that will apply for initial listing with the Exchange under these Rules shall submit the documentary requirements enumerated in the attached Annex "A", in addition to the regular documentary requirements applicable to an initial listing application through an initial public offering or listing by way of introduction.

Section 15. Additional Disclosure Requirements – A listed PPP Company shall comply with the reportorial and disclosure requirements prescribed by the Corporation Code,

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RA No. 8799 or "Securities Regulation Code", their respective implementing rules and the rules and regulations of the Exchange. Moreover, the additional disclosure requirements set forth in Annex "B" shall be applicable to a listed PPP Company.

The Penalties and Fines under the PSE Listing and Disclosure Rules shall be applicable for failure to comply with the additional disclosure requirements under these Rules.

Section 16. Compliance with Philippine laws, rules and regulations - These Rules shall be read in conjunction with the Amended BOT Law, Securities Regulation Code, other relevant laws and its implementing rules and regulations, and any such amendments to the applicable laws and implementing rules and regulations.

Section 17. Applicability of PSE rules and regulations - All existing rules of the Exchange, including the PSE Listing and Disclosure Rules, and any such amendments thereto that are not inconsistent with these Rules shall be applicable to a company applying for listing with the Exchange and to a listed PPP Company, as the case may be.

THE PHILIPPINE STOCK EXCHANGE, INC.

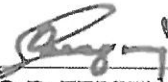
SECURITIES AND EXCHANGE COMMISSION



HANS B. SICAT
President and Chief Executive Officer



ROEL A. REFRAN
Chief Operating Officer *RM*



VICENTE GRACIANO P. FELIZMENIO, JR.
Director
Markets and Securities Regulation Department



ANNEX "A"

LISTING APPLICATION

**Supplemental Checklist of Documentary Requirements
(To be submitted in two [2] hard copies and soft copy*)**

**SUPPLEMENTAL DOCUMENTARY REQUIREMENTS
FOR PUBLIC-PRIVATE PARTNERSHIP COMPANIES ("PPP COMPANIES")
LISTING WITH THE EXCHANGE**

Applicant PPP Companies shall submit the additional documents enumerated in the table below in addition to the regular documentary requirements applicable to an Initial Public Offering or a Listing By Way of Introduction, whichever is applicable. Listed PPP Companies undertaking a subsequent Public Offering or a Stock Rights Offering should likewise submit to the Exchange the documentary requirements set forth in the table below in addition to the regular documentary requirements applicable to the listing application.

Name of Applicant PPP Company	
Applicant PPP Company Contact Person	
Name / Designation	
Contact Number	
Email	
<i>To be filled-up by the Listings Department</i>	
Date of Filing of the Application	
Documents	<input type="checkbox"/> Complete <input type="checkbox"/> Incomplete
PSE Processing Fee	
O.R. Number	
Amount	
Date	
Received by	
Name/Signature of Listings Analyst	
Name/Signature of Supervisor	
Assigned to	
Name/Signature of Listings Analyst	
Name/Signature of Supervisor	

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DATE SUBMITTED	REQUIREMENTS
	<p>1. A certified true copy of the following:</p> <ul style="list-style-type: none"> a. Post Award Documents <ul style="list-style-type: none"> 1. Notice of Compliance with Post Award Requirements 2. Signed PPP Contract or Concession Agreement together with Annexes and Accession Agreements, if any b. Documents related to Independent Consultant ("IC") Procurement, as applicable <ul style="list-style-type: none"> 1. Notice of Award 2. Signed Contract c. Contract Milestone Documents, as applicable <ul style="list-style-type: none"> 1. Latest Contract Milestone Report 2. Latest Monthly Progress Report 3. Project Dispute Resolution Board Guidelines/Agreements 4. Financial Closure Documents 5. Writ of Possession, Deed of Sale, Permit to Enter, other Land Acquisition documents, and other permits and licenses, as may be required in the PPP Contract 6. Memorandum of Agreements and other contracts where the PPP Company is a party, Right of Way Acquisition Plan, Project Execution Plan, Commercial Development Plan, and other documents required before Construction Date 7. Commissioning and Acceptance Plan 8. Certificate of Partial Acceptance 9. Approved Operations and Maintenance ("O&M") Manual 10. Certificate of Final Acceptance 11. Environmental Compliance Certificate <p>Should any of the above documents be not applicable to the PPP Project, the PPP Company shall submit to the Exchange the equivalent documents.</p>
	<p>2. A Certification issued by the appropriate regulatory and/or Implementing Agencies, or its equivalent, attesting that:</p>

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DATE SUBMITTED	REQUIREMENTS
	<p>i. the PPP Company's Contract or Concession Agreement is valid, subsisting and is being developed in accordance with the approved Work Program; and</p> <p>ii. the PPP Company is in good standing with the said agency.</p> <p>This Certification must not be more than three (3) months old from the date of filing of the listing application.</p>
	<p>3. A Certification as to status of the PPP Project and material concern, if any, from the Public-Private Partnership Center ("PPP Center") of the Philippines, or any appropriate equivalent government agency in charge of coordination and monitoring of PPP projects.</p>
	<p>4. A sworn Corporate Secretary's Certification on the background of the following parties with a detailed profile, accompanied by documents showing their capacity to handle the role, as may be applicable:</p> <ul style="list-style-type: none"> a. Project Manager b. Project Steering Group c. Technical Working Group d. Independent Consultants and Advisers e. Other parties involved in the project, if applicable <p>In case of a corporation, the profile must include, among others, the capital and ownership structure, board of directors and key officers.</p>
	<p>5. Sworn Corporate Secretary's Certification on the approval by the PPP Company's Board of Directors as to the engagement of the specific parties pursuant to the PPP Contract.</p>
	<p>6. Comprehensive report of the PPP Project. Such report shall include, among others, the breakdown of the costs relating to the PPP Project, timetable, detailed information on the sources of funding, summary of all relevant agreements and a copy of such agreements, and current status of the PPP Project.</p>
	<p>7. External legal counsel's opinion stating that all applicable agreements, permits and licenses of the PPP Company and its subsidiaries (if applicable) are valid and subsisting. The opinion should contain a detailed enumeration of the agreements, permits and licenses examined by the external legal counsel and the pertinent details of each agreement, license and permit (e.g., for licenses/permits: name of license/permit, regulatory body that</p>

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DATE SUBMITTED	REQUIREMENTS
	<p>issued the license/permit, issue date, validity period, expiry date; for agreements: parties, date of execution, summary of the agreement, consideration and other material provisions).</p> <p>This opinion and list of agreements, permits and licenses must be stated in the applicable section(s) of the PPP Company's Prospectus.</p>
	<p>8. If the PPP Company is a joint venture, special purpose vehicle, or any similar corporate structure, the PPP Company shall submit the following documents relating to each of the parties involved:</p> <ol style="list-style-type: none"> a. A copy of the Articles of Incorporation and By-Laws; b. Nature of business; c. Capital structure; d. Ownership structure; e. Members of the board of directors; f. Key officers; and g. Audited financial statements for the last three (3) fiscal years and latest interim financial statements. <p>In addition, the PPP Company shall provide a sworn Corporate Secretary's Certification on the capital contribution and extent of participation of these parties to the PPP Company.</p>
	<p>9. When applicable, a copy of the relevant agreements pertaining to the creation of the PPP Company, <i>e.g.</i> joint venture agreement, memorandum of agreement, subscription agreement, etc.</p>
	<p>10. A copy of the latest periodic report prepared by the Independent Consultant and/or the Implementing Agency, when applicable, on the PPP Project.</p>
	<p>11. A duly sworn Undertaking issued by the PPP Company's Corporate Secretary to comply with the additional disclosure requirements applicable to listed PPP Companies set forth in Annex "B" of these Rules.</p>
	<p>All requirements listed herein which refer to (i) written official acts and/or public records of official acts of a foreign authority or public officer, (ii) private documents, such as but not limited to certifications, which have been executed and acknowledged before a foreign notary public and/or officially kept as a public record in a foreign country are required to be authenticated by the Philippine</p>

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DATE SUBMITTED	REQUIREMENTS
	Embassy or consul located in the place of execution or custody of said document.
	Other documents which may be required by the Exchange during the conduct of the due diligence review of the listing application, including, but not limited to, updates on previous documents submitted.

**As announced in Memorandum No. 2010-0229 dated May 17, 2010 regarding the revised procedures for filing of a listing application, the PPP Company shall comply with the following procedures:*

1. The PPP Company shall submit two (2) printed copies of each required document: one (1) original copy, or when specified, certified true copy; and one (1) photocopy of each document. The printed copies must be bound in the order as indicated in the checklist, and must be properly tabbed or labelled.
2. The PPP Company shall submit a CD or DVD containing a scanned copy of each required document in **.pdf format**. The filename for each .pdf file must clearly indicate the type of document (*e.g.*, Application for Listing of Stocks, Articles of Incorporation, Background of Top 20 Stockholders, etc.). The CD or DVD must be properly labelled with the PPP Company's name, type of listing application and date of filing.
3. For an application covering an initial public offering, listing by way of introduction, follow-on public offering or stock rights offering, the PPP Company shall submit a soft copy of the draft prospectus in **MS Word or .doc format**.
4. The PPP Company shall submit a sworn Corporate Secretary's Certification certifying (i) that the photocopies submitted are true copies of the original documents; and (ii) that the hard copies and soft copies are identical.

Should the PPP Company be required to submit any additional document after the listing application is officially filed, steps 1 and 2 above shall be observed unless the Exchange specifies that the soft copy of the additional required document may be submitted through electronic mail.

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ANNEX "B"

**SUPPLEMENTAL DISCLOSURE REQUIREMENTS
FOR PUBLIC-PRIVATE PARTNERSHIP COMPANIES ("PPP COMPANIES")
LISTED WITH THE EXCHANGE**

The additional disclosure requirements set forth below shall be applicable to a listed PPP company:

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| 1. Contract Milestone Reports – reports which outline the various activities involved in the implementation of the PPP Project and used as control charts to monitor progress on an ongoing basis |
| 2. Progress Reports – reports which detail project progress in terms of compliance to conditions precedent in the PPP Contract, achievement of financial close, adherence to timelines and other obligations in the PPP Contract, etc. These include but are not limited to Project Monitoring Reports, Monthly Construction Works Reports, Key Performance Indicator Reports or other material reports as may be required and submitted to the Implementing Agency |
| 3. Reports Monitoring Use of Funds – <ul style="list-style-type: none"> a. Report on any disbursement made in connection with the planned use of proceeds from the offering b. Unstructured Report Monitoring Use of Funds – report on approval by the listed PPP company’s Board of Directors, stockholders (when applicable) and relevant government agency (when applicable) of any reallocation on the planned use of proceeds amounting to twenty percent (20%) of the original amount appropriated or of any change in the Work Program in the offering prospectus c. Quarterly Progress Report on the application of the proceeds from the offering on or before the first fifteen (15) calendar days of the following quarter, certified by the Chief Financial Officer or Treasurer d. Annual Progress Report on or before January 31 of the following year, certified by the Chief Financial Officer or Treasurer |

The annual and quarterly progress reports, which include reports on disbursements, must be supported by an external auditor’s certification on the accuracy of the information reported by the PPP Company. The said reports must include a detailed

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explanation for any material variance with the Work Program or the represented Use of Proceeds in the offering prospectus.
4. Report on the existence of event of Default, Force Majeure, Material Adverse Government Action and similar events affecting the PPP Contract
5. Report of penalties and sanctions on the listed PPP Company by the Implementing Agency and/or regulatory authorities and the reasons therefore
6. A business plan which may include plans for liquidation and winding up or a proposal for a new business shall be submitted at least three (3) years before the scheduled expiration of the PPP Contract. Thereafter, the PPP Company shall submit to the Exchange Quarterly Progress Reports on the business plan within fifteen (15) calendar days after the end of each quarter until circumstances, as determined by the Exchange, may require.
7. Report on the hand-over of the PPP Project to the government to be submitted upon submission of the relevant report to the government one (1) year before expiration of the PPP Contract.

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