





## INTERPRETATION OF THE SUITABILITY RULE OF THE EXCHANGE

### POLICY FRAMEWORK

Section 1 (c), Part B, Article I of the Revised Listing Rules of the Exchange on Suitability Rule provides that:

**SECTION 1. Suitability Rule; Disqualifications from Listing of Securities** – The Exchange retains full discretion to accept or reject listing applications. In reaching its decision, the Exchange shall consider the following grounds for disqualification from listing of securities in the Exchange:

. . . .

(c) There is a serious question relating to the integrity or capability of the Issuer or any of its director, executive officer, promoter or control person. A serious question exists relative to the above parties if, during the past five (5) years any of the following events occurred:

. . . .

(ii) Any conviction by final judgment in a criminal proceeding for an offense involving moral turpitude, domestic or foreign, including a *nollo contendere* case, or being subject to a pending criminal proceeding for an offense involving moral turpitude, domestic or foreign, excluding traffic violations and other minor offenses . . . .

(Underscoring supplied).

With regard to the phrase **“being subject to a pending criminal proceeding for an offense involving moral turpitude”**, it appears that such provision is a ground for rejection of the listing of securities of applicant companies.

However, the plenary powers of the Exchange as a self-regulatory organization (SRO) to adopt its own rules, including interpretations thereof, provide sufficient basis to interpret the rules on suitability requirement to mean that only those situations where there was already a conviction in the Regional Trial Court (or Municipal Trial Court and other trial courts) would be a ground for rejection for listing.

Such interpretation of the Suitability Rule is in accord with the presumption of innocence contained in Article III, Section 14(2) of the 1987 Constitution, which states that:

“SECTION 14.

XXX

(2) **In all criminal prosecutions, the accused shall be presumed innocent until the contrary is proved**, and shall enjoy the right to be heard by himself and counsel, to be informed of the nature and cause of the accusation against him, to have a speedy, impartial, and public trial, to meet the witnesses face to face, and to have compulsory process to secure the attendance of witnesses and the production of evidence in his behalf. However, after arraignment, trial may proceed notwithstanding the absence of the accused provided that he has been duly notified and his failure to appear is unjustifiable.” (emphasis supplied)

In this respect, the Supreme Court held that “[o]nly by proof beyond reasonable doubt which requires moral certainty, ‘a certainty that convinces and satisfies the reason and conscience of those who are to act upon it’ may the presumption of innocence be overcome.”

#### **INTERPRETATION OF THE SUITABILITY RULE**

Following the constitutional precept on presumption of innocence and in recognition of its duty to protect the investing public, the Exchange shall only consider, in connection with the Suitability Rule, criminal cases involving moral turpitude where there was already a conviction in the Regional Trial Court (or Municipal Trial Court and other trial courts) in determining the suitability of the directors of listed and applicant companies.

Thus, with respect to pending criminal cases involving estafa, plunder and violations of the Anti-Graft and Corrupt Practices Act, which cases involve moral turpitude in accordance with Supreme Court decisions, and where trial courts have **NOT** yet rendered any decision, the pendency of said criminal proceedings will not be considered as a ground for the rejection of the listing of securities of applicant companies.

REGULAR MEETING OF THE BOARD OF DIRECTORS OF  
THE PHILIPPINE STOCK EXCHANGE, INC.

Held on 26 April 2006

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**Resolution No. 82, Series of 2006**

“RESOLVED, That the Board of Directors of the Philippine Stock Exchange, Inc. (the “Exchange”) abolish, at it hereby abolishes, the following committees: Listing, Investor Education, Business Development, Strategic Development and Legislative, the functions and responsibilities of which shall be assumed by management immediately.”

“RESOLVED, FURTHER, that the Board of Directors of the Exchange, authorize, as it hereby authorizes, the utilization of the budget intended for the aforementioned abolished committees for any advisory assistance that management may need as a result thereof.”



## **GUIDELINES FOR UPLOADING OF REQUIRED DOCUMENTS WITH ACCESS RESTRICTIONS**

The Exchange requires soft copies of certain documents, such as the Prospectus, in relation to an applicant company's listing application. However, should the applicant company request for access restrictions on the required documents, the following guidelines for uploading must be observed:

1. The guidelines under Memo for Brokers No. 2960-2002 shall be applicable to applicant companies with fund-raising activities through the Exchange, such as, but not necessarily limited to, initial public offerings, follow-on offerings and stock rights offerings.
2. When applicable, an applicant company may advise the Exchange in writing that the relevant offering document (e.g., prospectus, financial projections and other required documents) is subject to restrictions provided under foreign laws or regulations. Pursuant to such restrictions, the applicant company may request that the soft copy of the relevant document be made available for downloading by the public at the applicant company's website with click-through procedures in accordance with the access restrictions. After obtaining clearance from the Exchange, the applicant company must comply with the following requirements/conditions:
  - a. The applicant company must provide the Exchange with the soft copy of the document(s) together with the sworn certificate of authentication as required in item number 4 of Memo For Brokers No. 2960-2002;
  - b. The applicant company must provide the Exchange with the link to the applicant company's website where the document(s) will be posted. The Exchange will issue a PSE Memorandum announcing the applicant company's offering and indicate the said link along with a disclaimer that (i) the Exchange does not warrant the accuracy or truthfulness of the information or statements made in said document(s); and (ii) the Exchange assumes no liability whatsoever for any person's reliance upon the contents of said document(s). The PSE Memorandum must also attach a copy of the certification from the applicant company that it is not in violation of any applicable foreign laws and/or regulations with respect to the uploaded document(s);
  - c. The applicant company must ensure that the soft copy of the document is available for downloading at the applicant company's website for a minimum period of one (1) year starting on the specified periods as required by the Exchange;
  - d. If the document will be unavailable for downloading at the applicant company's website for more than one (1) day within the specified period, the Exchange will upload the document on the PSE website in accordance with standard procedures along with the appropriate notices and disclaimers. The Exchange will not implement the click-through procedures.



# MEMORANDUM

The Philippine Stock Exchange, Inc.

_____ Disclosures	_____ Stockholders' Meeting	Others: Amended Rule on
_____ Dividend Notice	_____ SEC / Gov't Issuance	Lodgment of Securities -
_____ Stock Rights Notice	_____ Transfer Agent's Notice	Interpretative Guidelines

To : **ALL LISTED COMPANIES AND MARKET PARTICIPANTS**

Subject : **Interpretative Guidelines for the Amended Rule on Lodgment of Securities**

Date : **May 21, 2010**

This is with reference to Memorandum No. 2010-0233 dated May 18, 2010, with respect to the Interpretative Guidelines for the amended rule on lodgment of securities under Section 16 of Article III, Part A of the Revised Listing Rules of the Exchange. For ready reference, a copy of the May 18, 2010 Memorandum is attached herewith as Annex "A".

Please be informed that in compliance with the directive of the Securities and Exchange Commission ("Commission"), the Interpretative Guidelines for the amended rule on lodgment of securities shall be as follows:

The amended rule on lodgment of securities under Section 16 of Article III, Part A of the Revised Listing Rules of the Exchange shall apply to all securities that are lodged with the Philippine Depository & Trust Corporation ("PDTC"), or any other entity duly authorized by the Commission.

For listing applications, the amended rule on lodgment of securities is applicable to:

- a. The offer shares/securities of the applicant company in the case of an initial public offering;
- b. The shares/securities that are lodged with the PDTC, or any other entity duly authorized by the Commission in the case of a listing by way of introduction;
- c. New securities to be offered and applied for listing by an existing listed company; and
- d. Additional listing of securities of an existing listed company.

The Interpretative Guidelines for the amended rule on lodgment of securities will take effect immediately.

		<i>A</i>			
Finance / Corporate Services Tel. No. 688-7560/7440/7460	Market Regulation Division Tel. No. 688-7559	Issuer Regulation Division Tel. No. 688-7501/7510	Market Operations/IT Tel. No. 688-7405/619-4400	Capital Markets Dev't. Division Tel. No. 688-7590	CEO / OGC Tel. No. 688-7400/619-4408



# MEMORANDUM

## The Philippine Stock Exchange, Inc.

<input type="checkbox"/> Disclosures	<input type="checkbox"/> Stockholders' Meeting	Others: <u>Amended Rule on</u>	
<input type="checkbox"/> Dividend Notice	<input type="checkbox"/> SEC / Gov't Issuance		<u>Lodgment of Securities -</u>
<input type="checkbox"/> Stock Rights Notice	<input type="checkbox"/> Transfer Agent's Notice		<u>Interpretative Guidelines</u>

Further, please be reminded that, as previously announced, the amended rule on lodgment of securities is applicable to companies applying for initial listing starting July 1, 2009. Further, existing listed companies are mandated to comply with the said amended rule starting **July 1, 2010**.

For your information and guidance.

**ROEL A. REFRAN**  
*VP – General Counsel and  
 Concurrent Head, Issuer Regulation Division*

Finance / Corporate Services	Market Regulation Division	Issuer Regulation Division	Market Operations/IT	Capital Markets Dev't. Division	CEO / OGC
Tel. No. 688-7560/7440/7460	Tel. No. 688-7559	Tel. No. 688-7501/7510	Tel. No. 688-7405/819-4400	Tel. No. 688-7590	Tel. No. 688-7400/819-4408



## MEMORANDUM

No.2010-0233

## The Philippine Stock Exchange, Inc.

_____ Disclosures	_____ Stockholders' Meeting	Others: <u>Amended Rule on</u>
_____ Dividend Notice	_____ SEC / Gov't Issuance	<u>Lodgment of</u>
_____ Stock Rights Notice	_____ Transfer Agent's Notice	<u>Securities</u>

To : ALL LISTED COMPANIES AND MARKET PARTICIPANTS

Subject : Interpretative Guidelines for the Amended Rule on Lodgment of Securities

Date : May 18, 2010

This is with reference to Memorandum No. 2010-0203 dated May 4, 2010, with respect to the implementation of the amended rule on lodgment of securities under Section 16 of Article III, Part A of the Revised Listing Rules of the Exchange. For ready reference, a copy of the amended rule is attached herewith as Annex "A" and a copy of the procedures of the Philippine Depository and Trust Corporation ("PDTC") to facilitate the implementation of the said rule is attached herewith as Annex "B".

Please be informed that in a regular meeting on May 12, 2010, the Board of Directors of the Exchange approved the following Interpretative Guidelines for the amended rule on lodgment of securities:

The amended rule on lodgment of securities under Section 16 of Article III, Part A of the Revised Listing Rules shall apply to all securities that are lodged with any licensed depository or intermediary under the name of a depository nominee corporation or otherwise.

For listing applications, the amended rule on lodgment of securities is applicable to:

- a. The offer shares/securities of the applicant company in the case of an initial public offering;
- b. The shares/securities that are lodged with a licensed depository or intermediary in the case of a listing by way of introduction;
- c. New securities to be offered and applied for listing by an existing listed company; and
- d. Additional listing of securities of an existing listed company.

Finance / Corporate Services Tel. No. 688-7560/7440/7460	Market Regulation Division Tel. No. 688-7559	Issuer Regulation Division Tel. No. 688-7601/7510	Market Operations/IT Tel. No. 688-7405/819-4400	Capital Markets Dev't. Division Tel. No. 688-7590	CEO / OGC Tel. No. 688-7400/819-4408





# MEMORANDUM

## The Philippine Stock Exchange, Inc.

<input type="checkbox"/> Disclosures	<input type="checkbox"/> Stockholders' Meeting	Others: <u>Amended Rule on</u>
<input type="checkbox"/> Dividend Notice	<input type="checkbox"/> SEC / Gov't Issuance	<u>Lodgment of</u>
<input type="checkbox"/> Stock Rights Notice	<input type="checkbox"/> Transfer Agent's Notice	<u>Securities</u>

Please be reminded that, as previously announced, the amended rule on lodgment of securities is applicable to companies applying for initial listing starting July 1, 2009. Further, existing listed companies are mandated to comply with the said amended rule starting **July 1, 2010**.

The Interpretative Guidelines for the amended rule on lodgment of securities will become effective ten (10) days from the date hereof, unless the Securities and Exchange Commission provides written notice of its determination to review such Interpretative Guidelines.

For your information and guidance.

**ROEL A. REFRAN**  
*VP – General Counsel and  
 Concurrent Head, Issuer Regulation Division*

Finance / Corporate Services Tel No 688-7580/7440/7460	Market Regulation Division Tel No 688-7559	Issuer Regulation Division Tel No 688-7501/7510	Market Operations/IT Tel No 688-7405/819-4400	Capital Markets Dev't. Division Tel No 688-7550	CEO / OGC Tel No 688-7400/819-4408



Issuer Regulation Division  
Amended Rule on Lodgment of Securities

### ARTICLE III EQUITY SECURITIES

#### PART A GENERAL REQUIREMENTS FOR INITIAL LISTING

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X X X

**Section 16. Lodgment of Securities** - As a condition for the listing and trading of the securities of an applicant company, the applicant company shall electronically lodge its registered securities with the Philippine Depository and Trust Corporation (PDTC), or any other entity duly authorized by the Commission, without any jumbo or mother certificate in compliance with the requirements of Section 43 of the Securities Regulation Code. In compliance with the foregoing requirement, actual listing and trading of securities on the scheduled listing date shall take effect only after submission by the applicant company of the following:

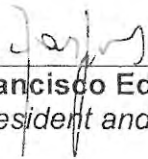
- (a) Sworn corporate secretary's certificate stating that all the securities have been issued in uncertificated form in accordance with the requirements of Section 43 of the Securities Regulation Code and electronically lodged with the PDTC or any other authorized entity without any jumbo or mother certificate; and
- (b) Written confirmation issued by the transfer agent confirming that it has the capability and capacity to handle the issuance and transfer of uncertificated securities; and
- (c) Written confirmation issued by PDTC or any other authorized entity confirming the electronic lodgment of the applicant's securities.

The above requirements shall also apply to follow-on offerings and additional listing applications.

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X X X

THE PHILIPPINE STOCK EXCHANGE, INC.



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**Francisco Ed. Lim**  
*President and CEO*



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**Roel A. Refran**  
*VP and General Counsel*

SECURITIES AND EXCHANGE COMMISSION



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**Vicente Graciano P. Felizmenio, Jr.**  
*OIC, Market Regulation Department*

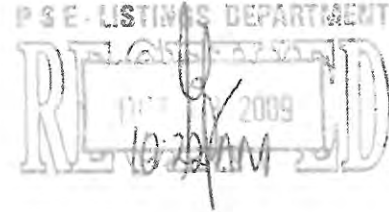


Philippine Dealing System Holdings Corp. & Subsidiaries

37<sup>th</sup> Floor, Tower 1, The Enterprise Center  
6766 Ayala Avenue corner Paseo de Roxas  
1226 Makati City, Philippines  
Main: +63 2 884 5000  
Fax: +63 2 884 5098/99

October 16, 2009

THE PHILIPPINE STOCK EXCHANGE, INC.  
PSE Center  
4/F, Ortigas Center  
Pasig City



Attention: **MS. MARCIA RESURRECCION**  
Head of Listings Department

Re: **Conversion of PSE-listed Companies to the No-Jumbo Rule**

Gentlemen:

We are pleased to provide you with the relevant procedures to facilitate the implementation of the SEC-approved PSE rule on the use of uncertificated securities for shares lodged with the Depository ("no jumbo" rule).

Annex	Description
1	No-Jumbo Conversion Procedures
2	No-Jumbo Lodgment Procedures
3	No-Jumbo Uplift Procedures
4	No-Jumbo Reconciliation Procedures

Kindly disseminate these to the listed companies. We enjoin all listed companies to adopt the "no jumbo" rule immediately in order for the market to start reaping its benefits.

Conversion Period

The actual period for completing the conversion process (Annex 1) of a particular listed company shall largely depend on the number of PCNC jumbo certificates and Stock Assignments to be verified and cancelled by the Transfer Agent. For less liquid issues, this could take only a couple of days but for highly liquid issues, the process could take weeks. We propose setting a maximum of 30 business days for all issues so Transfer Agents would also be able to plan accordingly.

Daily Confirmation of PCNC Holdings

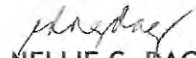
Under the "no jumbo" environment, we would need to obtain the TA's confirmation of PCNC balances on a daily basis on top of their confirmation per lodgment or uplift transaction. This enables us to run a daily reconciliation process which is aligned with other scripless issues, such as Government Securities.

Where a TA is unable to comply with the requirement to provide PDTC with the balances of PCNC (Filipino & Foreign) on a daily basis under Annex 4, we shall require the Transfer Agent to obtain a written conforme from its Issuer duly acknowledging the incremental risk of not being reconciled with the Depository on a daily basis.

ooOOOoo

We trust that the foregoing is sufficient to enable PSE to proceed with the implementation of its "no jumbo" rule. Please feel free to call me if you have further questions on this matter.

Very truly yours,



**NELLIE C. DAGDAG**

Managing Director for Operations & Technology

Copy furnished: Atty. Francis Ed. Lim, PSE President

ANNEX 1**PDTC  
NO-JUMBO CONVERSION PROCEDURES****Confidential & Proprietary**

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Version Sept 2009

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<b>ACTIVITY</b>	<b>ASSIGNED TO</b>	<b>REMARKS</b>
1. Prepare and deliver Transmittal Letter (TL) to surrender all PCNC jumbo certificates and Stock Assignments of a particular Issue back to its Transfer Agent together with the pertinent cancellation fee.	PDTC	<ul style="list-style-type: none"> <li>• Attach a detailed list of jumbo certificates and Stock Assignments</li> <li>• Indicate total holdings balance (Filipino &amp; Foreign) per PDTC system</li> </ul>
2. Acknowledge receipt of TL and return acknowledgment copy of the TL to PDTC	Transfer Agent	
3. Verify jumbo certificates/Stock Assignments submitted for cancellation	-do-	
4. Immediately notify PDTC of defective certificates/Stock Assignments	-do-	Upon verification of certificates/Stock Assignments delivered
5. Correct defect, as applicable	PDTC	Within 10 business day after notification from TA. If the defect could not be readily remedied, the TL should be amended to reflect the good quantity only.
6. Send confirmation of cancellation and confirmation of outstanding PCNC holdings balance (Filipino & Foreign)	Transfer Agent	Depends on the number of jumbo certificates and Stock Assignments surrendered but should be no later than 30 business days from receipt of PDTC conversion TL
7. Reconcile with PDTC system records and coordinate with TA for any reconciling item	PDTC	

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ANNEX 2**PDTC  
NO-JUMBO LODGMENT PROCEDURES****Confidential & Proprietary**

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Version July 2009

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<i>ACTIVITY</i>	<i>ASSIGNED TO</i>	<i>REMARKS</i>
1. Prepare direct transfer (DT) instruction for securities to be lodged to the Depository	PDTC Participant	Transferee of securities is PCD Nominee Corp. Indicate on the DT the nationality whether Filipino or non-Filipino. Also indicate on the DT that confirmation of the validity of the securities and the release of the certificate shall be to PDTC.
2. Enter Lodgment Report (LR) instruction in the System for the total no. of shares indicated in DT, with DT date as reference for securities being lodged.	-do-	If subsequently advised by TA of defects in DT and the defects can not be readily remedied, the LR should be amended to reflect the good quantity only.
3. Generate LR	-do-	
4. Deliver DT, LR and certificates/SA to Transfer Agent (TA)	-do-	Pay cancellation and issuance fees to Transfer Agent
5. Acknowledge receipt of DT	Transfer Agent	
6. Verify securities submitted for cancellation	-do-	Within 3 business days after receipt of DT/LR
7. Immediately notify PDTC Participant of defective securities	-do-	Upon verification of securities delivered
8. Correct defect	PDTC Participant	Within 1 business day after notification from TA. If the defect could not be readily remedied, the LR should be amended to reflect the good quantity only.
9. For ONLINE TAs: Confirm lodgment of good securities directly into the PDTC System	Transfer Agent	TA's online confirmation serves as the Registry Confirmation Advice
10. For TAs without PDTC System access: a. Prepare and send Registry Confirmation Advice to PDTC; and b. Input lodgment confirmation into PDTC System	Transfer Agent  PDTC	The Registry Confirmation Advice must include info on LR# and DT#.

ANNEX 3**PDTC  
NO-JUMBO UPLIFT PROCEDURES****Confidential & Proprietary**

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<b>ACTIVITY</b>	<b>ASSIGNED TO</b>	<b>REMARKS</b>
1. Enter Uplift Request (UR) instruction in the PDTC System	PDTC Participant	Should include the kind, class and quantity of securities; and relevant details on the registrant/s i.e., citizenship, complete address, old/new client, & with/without specimen signature card (SSC)
2. Generate 2 copies of the UR and sign	-do-	
3. Deliver 2 copies of the UR to PDTC together with the docs/SSC for new stockholders and payment for TA fees	-do-	Payments should be via check payable to PCD Nominee Corp.
4. Verify signature on UR versus SSC of Participant on file	PDTC	If signature variance is noted, PDTC returns UR to Participant for correction
5. Acknowledge receipt of UR and give one copy of UR to Participant.	-do-	
6. Tag UR as received in the PDTC System.	-do-	Holdings pertaining to tagged URs are earmarked in the system.
7. Generate transmittal letter and deliver to TA	-do-	Per published weekly schedule
8. Verify documents submitted with TL/UR	Transfer Agent	
9. Inform PDTC of any defect in the TL/UR	-do-	PDTC shall tag as "Defective" the URs in the system and advise Participants of the defects upon receipt of TA notification. Defective URs will not be deducted from the total holdings of PCNC.
10. Submit correction to defects (e.g., SSC) or advise PDTC if Participant intends to cancel the uplift altogether	PDTC Participant	Correcting documents are delivered to PDTC. PDTC tags the UR for resubmission for inclusion in the next regular TL processing.
11. For ONLINE TAs: Confirm uplift directly into the PDTC System	Transfer Agent	TA's online confirmation serves as the Registry Confirmation Advice
12. For TAs without PDTC System access: a. Prepare and send Registry Confirmation Advice to PDTC; and b. Input uplift confirmation into PDTC System	Transfer Agent PDTC	The Registry Confirmation Advice must include info on TL# and UR#.
13. Issue new stock certificates for the uplifted shares	Transfer Agent	
14. Coordinate with TA on availability of "uplifted" stock certificates for pick-up	PDTC	Uplifted certificates are safe kept by PDTC until claimed
15. Pick up stock certificate at PCD	PDTC Participant	



ANNEX 4

## PDTC NO-JUMBO RECONCILIATION PROCEDURES

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ACTIVITY	ASSIGNED TO	REMARKS
1. Send statement of outstanding PCNC holdings balance (Filipino & Foreign) to PDTC as of last business date	Transfer Agent	<ul style="list-style-type: none"> <li>• No later than 12NN of the next business day</li> <li>• Preferably in file format via upload to eCS system or e-mail to PDTC Recon Unit</li> </ul>
2. Reconcile with PDTC system records and coordinate with TA for any reconciling item	PDTC	



# MEMORANDUM

## No.2010-0229

### The Philippine Stock Exchange, Inc.

_____ Disclosures	_____ Stockholders' Meeting	Others: Revised Procedures
_____ Dividend Notice	_____ SEC / Gov't Issuance	for Filing a Listing
_____ Stock Rights Notice	_____ Transfer Agent's Notice	Application

To : **ALL LISTED COMPANIES AND MARKET PARTICIPANTS**

Subject : **REVISED PROCEDURES FOR FILING OF A LISTING APPLICATION**

Date : **May 17, 2010**

Please be informed that the Exchange has recently adopted the following revised procedures for filing a listing application<sup>1</sup>:

1. The applicant 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 applicable checklist, and must be properly tabbed;
2. The applicant 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 labeled with the applicant company's name, the type of listing application and the 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 applicant company shall submit a soft copy of the draft prospectus in **MS Word** or **.doc format**.
4. The applicant 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.
5. Should the applicant 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.

<sup>1</sup> The revised procedures for filing of a listing application will supersede the old procedure wherein an applicant company is required to submit all listing application documents in five (5) copies.

Finance / Admin / Membership	Market Regulatory Division	Issuer Regulation Division	Information Technology Division	Capital Markets Dev'l. Division	CEO / OGC
Tel. No. 688-7560/7440/7460	Tel. No. 688-7559	Tel. No. 688-7501/7510	Tel. No. 688-7405/819-4400	Tel. No. 688-7590	Tel. No. 688-7400/819-4408



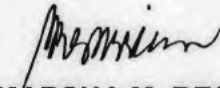
# MEMORANDUM

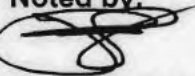
## The Philippine Stock Exchange, Inc.

- |  |  |                                   |
|--|--|-----------------------------------|
| <input type="checkbox"/> Disclosures         | <input type="checkbox"/> Stockholders' Meeting   | Others: <u>Revised Procedures</u> |
| <input type="checkbox"/> Dividend Notice     | <input type="checkbox"/> SEC / Gov't Issuance    | <u>for Filing a Listing</u>       |
| <input type="checkbox"/> Stock Rights Notice | <input type="checkbox"/> Transfer Agent's Notice | <u>Application</u>                |

The foregoing revised procedures shall take effect on **June 1, 2010**. The Listings Department of the Exchange will not accept a listing application that is not compliant with the foregoing procedures.

For your information and strict compliance.

  
**MARSHA M. RESURRECCION**  
*Head, Listings Department*

Noted by:  
  
**ROEL A. REFRAN**  
*VP – General Counsel and  
 Concurrent Head, Issuer Regulation Division*

Finance / Admin / Membership	Market Regulatory Division	Issuer Regulation Division	Information Technology Division	Capital Markets Dev't. Division	CEO / OGC
Tel. No. 688-7560/7440/7460	Tel. No. 688-7559	Tel. No. 688-7501/7510	Tel. No. 688-7405/819-4400	Tel. No. 688-7590	Tel. No. 688-7400/819-4408

**PSE Board of Directors' Regular Meeting  
June 23, 2010**

**Resolution No. 107, Series of 2010**

“RESOLVED, That the Board of Directors of the Philippine Stock Exchange, Inc. (the “Exchange”) approve, as it hereby approves, the request of the Cebu Air, Inc. (the “Company”) to be given six (6) months from its receipt of the notice granting the postponement of the Company's IPO within which to commence the IPO, otherwise, the March 24, 2010 approval by the Exchange of the initial listing application will be deemed revoked and will cease to have any force and effect.

“RESOLVED FURTHER, That the Board of Directors of the Exchange recommends that henceforth, the approval issued by the Exchange for listing applications covering initial listings and fund-raising activities, such as a follow-on offering and stock rights offering, will be valid for a period of six (6) months from the applicant company's receipt of the notice of approval. The applicant company must re-file the relevant listing application and pay the corresponding processing fee if it decides to pursue the listing application after the 6-month period.

**REGULAR MEETING HELD ON HELD ON 23 AUGUST 2006**

**Resolution No. 126, Series of 2006**

“RESOLVED, That the Board of Directors of the Philippine Stock Exchange, Inc. (the “Exchange”) authorize, as it hereby authorizes, the President and Chief Executive Officer of the Exchange to make any amendments or changes, as may be necessary or desirable, to any Board-approved application for listing of securities such as, but not limited to, the timetable, price and price range, number of shares, post approval requirements, etc.; Provided, That any such amendments shall not materially alter the nature and substance of the approved listing application.”



# MEMORANDUM

## No.2011-0104

The Philippine Stock Exchange, Inc.

<input type="checkbox"/> Disclosures	<input type="checkbox"/> Stockholders' Meeting	Others: <input type="checkbox"/> Guidelines for
<input type="checkbox"/> Dividend Notice	<input type="checkbox"/> SEC / Gov't Issuance	<input type="checkbox"/> Fairness Opinions and
<input type="checkbox"/> Stock Rights Notice	<input type="checkbox"/> Transfer Agent's Notice	<input type="checkbox"/> Valuation Reports

To : THE INVESTING PUBLIC AND MARKET PARTICIPANTS

Subject : GUIDELINES FOR FAIRNESS OPINIONS AND VALUATION REPORTS


Date : March 9, 2011

Please be advised that in a letter of March 3, 2011, the Securities and Exchange Commission (the "Commission") advised the Exchange that the **Guidelines for Fairness Opinions and Valuation Reports** (the "Guidelines") was approved by the Commission on March 3, 2011. We attach as Annex "A" a copy of the Guidelines duly signed by the Exchange and the Commission.

The Guidelines will take effect on **March 24, 2011**.

  
**MARSHA M. RESURRECCION**  
*OIC, Issuer Regulation Division*

Noted by:

  
**HANS B. SICAT**  
*President & CEO*

					
Finance / Corporate Services Tel. No. 688-7560/7440/7460	Market Regulation Division Tel. No. 688-7559	Issuer Regulation Division Tel. No. 688-7501/7510	Market Operations/IT Tel. No. 688-7405/819-4400	Capital Markets Dev't. Division Tel. No. 688-7590	CEO / OIC Tel. No. 688-7400/819-4408



## Guidelines for Fairness Opinions and Valuation Reports

### I. Scope

The proposed Guidelines for Fairness Opinions and Valuation Reports ("Guidelines") are applicable to listing applications covering a listing by way of introduction, mergers and non-cash transactions such as share-for-share swaps, debt-to-equity conversions, property-for-share swaps and other similar transactions. As announced in Memo for Brokers No. 398-2007 dated August 29, 2007 and under the revised rules on listing by way of introduction, an applicant company is required to submit a fairness opinion covering the valuation of the shares subject of the listing application. Such fairness opinion must be supported by a valuation report(s).

### II. Guidelines for Fairness Opinions and Valuation Reports

1. The fairness opinion and valuation report(s) on the subject shares must be issued by an independent Firm which includes investment banks, financial advisory firms, and accounting firms under Group 'A' Category, duly registered or licensed by the Securities and Exchange Commission ("SEC") and accredited by the Exchange. The criteria for accreditation, for which a checklist will be provided by the Exchange, are provided under Item III of these Guidelines.
2. The Firm is not considered independent if:
  - a. It is a related party, as defined in the Revised Listing Rules of the Exchange ("Rules"), to the applicant company;
  - b. Its holding or subsidiary company provides financial advisory in relation to the applicant company's listing application, or external audit services to the applicant company; and
  - c. Other circumstances or arrangements, direct or indirect, between the Firm and the applicant company that, in the determination of the Exchange, may influence, or tend to influence, the objectivity and reliability of the fairness opinion and valuation report(s).

In general, the Exchange will consider the independence of the Firm when it is able to demonstrate a lack of conflict of interest with the applicant company.

The fairness opinion and valuation report shall be supported by a sworn certification issued by the applicant company's legal counsel certifying the Firm's independence.

*Am*  
*Ray*

3. An applicant company shall submit one fairness opinion issued by an independent Firm and supported by a valuation report. The said supporting valuation report may be based on and/or supported by relevant valuation reports issued by different independent experts who are qualified to issue the report under any applicable accreditation or implementing guidelines of the Exchange, such as, but not limited to, property appraisal companies and mining professionals.
4. The fairness opinion and valuation report must disclose the scope of work and valuation approach used. A copy of the service agreement or mandate letter shall be attached as an annex to the report.
5. The valuation report, which supports the fairness opinion, shall cover the valuation of the subject shares of the listed company and the consideration under the transaction covered by the listing application. Such consideration may include the following:
  - a. In a share-for-share swap, shares of the counterparty;
  - b. In a property-for-share swap, property owned by the counterparty. In cases of a real estate property, an accredited property appraisal company must issue a valuation report covering the subject real estate property in accordance with the Rules;
  - c. In a debt-to-equity conversion transaction, the debt which will be converted to the applicant company's shares. In this case, the relevant audited financial statements or external auditor's report on actual findings must be attached to the valuation report.
6. The valuation report, which supports the fairness opinion, shall include, at a minimum, the following information:
  - a. All material details and comprehensive explanation on the basis of the valuation and assumptions used. Copies of any supporting documents used as basis or reference must be attached to the valuation report which may be made available to limited parties from the Exchange, if requested.
  - b. At least two (2) relevant valuation methodologies must be presented in the valuation report. The valuation report must include a description and explanation of the valuation methodologies adopted.
  - c. Structure, condition and analysis of the relevant market and/or industry of the applicant company.
7. The date of the fairness opinion and valuation report must not be more than three (3) months before the date on which (i) an offering prospectus is issued; (ii) the transaction involving the subject shares is executed; or (iii) the stockholders' meeting is held where the transaction involving the subject shares is presented for approval.
8. These Guidelines will form part of the Listing and Disclosure Rules of the Exchange.

*Handwritten signatures and initials*



### III. Criteria for Accreditation

The accreditation of Firms for purposes of issuing fairness opinions and valuation reports required under the rules of the Exchange is valid for a period of one (1) year from accreditation date.

1. The Firm must be duly registered or licensed by the SEC. For accounting firms, its accreditation with the SEC should be under the Group 'A' Category.
2. The Firm, or its local or international affiliate, must have at least five (5) years of business operations.
3. A majority of the members of the Firm's top management and/or division heads must each have a minimum of ten (10) years experience in the Firm's business, including underwriting, investment and financial advisory services.
4. The Firm must demonstrate that its key personnel are qualified to prepare valuation reports and issue fairness opinions. They must identify relevant industry experience in their list of individual qualifications.
5. The FIRM must submit a description or summary of its General Engagement Operating Guidelines or Risk Management Procedures. The Firm must demonstrate that it has effective quality controls and procedures to ensure the integrity of fairness opinions and valuation reports. The valuation report and/or fairness opinion issued by the Firm shall indicate that, in the preparation of such report/opinion, the Firm relied on available information and records, including but not limited to the representation of the applicant company, audited financial statements, competent person's reports, regulatory agency's reports and such other relevant supporting documents.
6. The FIRM must have a proven track record of valuing securities. The FIRM must show proof of a steady client base and at least five (5) engagements to render financial valuation services to listed companies in the Exchange and other reputable stock exchanges, commercial banks and insurance companies for the past five (5) years.
7. The FIRM or its directors or its executive officers must not be subject to any act or case that will pose a serious question on the FIRM's, directors', or executive officers' integrity or capability to provide services to listed companies. A serious question exists relative to the above parties if, during the past (5) years any of the following events occurred.
  - (i) Any petition for insolvency was filed by or against the FIRM or its directors or its executive officers;
  - (ii) Any conviction by final judgment in a criminal proceeding for an offense involving moral turpitude, domestic or foreign, including a *nollo contendere* case, or being subject to a pending criminal proceeding for an offense involving moral turpitude, domestic or foreign, excluding traffic violations and other minor offenses;

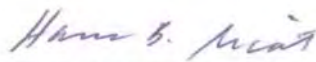
Handwritten signatures and initials in blue ink are present in the bottom right corner of the page. One signature appears to be 'H.M.' and another is 'R.P.' with an arrow pointing downwards.

- (iii) Being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking activities; and
- (iv) Being found by a domestic or foreign court of competent jurisdiction (in a civil action), the Commission or comparable foreign body, or a domestic or foreign exchange or electronic marketplace or self-regulatory organization, to have violated a securities or commodities law, and the judgement has not been reversed, suspended, or vacated.

8. The FIRM must have a minimum paid-up capital of Php10 million.

THE PHILIPPINE STOCK EXCHANGE, INC.

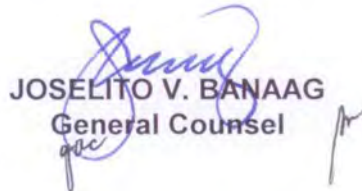
SECURITIES AND EXCHANGE COMMISSION



HANS B. SICAT  
President & CEO



JOSE P. AQUINO  
Director  
Market Regulation Department



JOSELITO V. BANAAG  
General Counsel



# MEMORANDUM

No.2011-0117

## The Philippine Stock Exchange, Inc.

<input type="checkbox"/> Disclosures	<input type="checkbox"/> Stockholders' Meeting	Others: <u>Checklist of Documentary Requirements for Accreditation of Firms</u>
<input type="checkbox"/> Dividend Notice	<input type="checkbox"/> SEC / Gov't Issuance	
<input type="checkbox"/> Stock Rights Notice	<input type="checkbox"/> Transfer Agent's Notice	

**To : THE INVESTING PUBLIC AND MARKET PARTICIPANTS**

**Subject : DOCUMENTARY REQUIREMENTS FOR ACCREDITATION OF FIRMS FOR PURPOSES OF ISSUING FAIRNESS OPINIONS AND VALUATION REPORTS**


**Date : March 18, 2011**

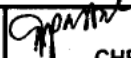

This is with reference to Memorandum No. 2011-0104 dated March 9, 2011, regarding the Guidelines for Fairness Opinions and Valuation Reports (the "Guidelines"), which will take effect on March 24, 2011.

In relation thereto, we attach as Annex "A" a copy of the **Checklist of Documentary Requirements for Accreditation of Firms for Purposes of Issuing Fairness Opinions and Valuation Reports**. As previously announced under the Guidelines, the fairness opinion and valuation report(s) required under the rules of the Exchange must be issued by an independent Firm duly registered or licensed by the Securities and Exchange Commission and accredited by the Exchange. The accreditation of Firms will be valid for a period of one (1) year from the accreditation date.

For your information and guidance.

  
**MARSHA M. RESURRECCION**  
*OIC, Issuer Regulation Division*

Noted by:  
  
**JOSELITO V. BANAAG**  
*General Counsel*

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Finance / Corporate Services Tel. No. 688-7560/7440/7460	Market Regulatory Division Tel. No. 688-7559	Issuer Regulation Division Tel. No. 688-7501/7510	Information Technology Division Tel. No. 688-7405/819-4400	Capital Markets Dev't Division Tel. No. 688-7590	CEO / OGC Tel. No. 688-7400/819-4408



## Checklist of Documentary Requirements for Accreditation of Firms for Purposes of Issuing Fairness Opinions and Valuation Reports

*(pursuant to the Guidelines for Fairness Opinions and Valuation Reports, approved by the Securities and Exchange Commission ("SEC") on March 3, 2011 and made effective on March 24, 2011 per Memorandum No. 2011-0104 dated March 9, 2011)*

Name of Applicant Firm	
Office Address	
Contact Person and Designation	
Contact details: Telephone Number Email	
Date of Filing of Accreditation Application	

1. Certified true copy of the Certificate of Registration or License of the Firm issued by the SEC. For accounting firms, a certified true copy of a valid SEC Certificate of Accreditation under the Group 'A' Category.
2. Certified true copy of the Firm's Articles of Incorporation and By-Laws and any amendments thereto.
3. Certification of Good Standing issued by the SEC within the last six (6) months.
4. Audited Financial Statements of the Firm, or its local or international affiliate, for the last five (5) years preceding the date of filing of the application for accreditation.
5. Curriculum Vitae of each of the Firm's top management, division heads and key personnel<sup>1</sup>. The Curriculum Vitae must include a statement attesting to the subsisting validity of the officer or personnel's professional license and qualification to render the opinion or valuation report.
6. Sworn Corporate Secretary's Certification(s) on the following:
  - a. The period or number of years that the Firm, or its local or international affiliates, has been conducting business operations;

<sup>1</sup> Key personnel are the persons responsible in the preparation and review of the Firm's opinion/valuation report.

- b. The members of the Firm's top management and/or division heads with a minimum of ten (10) years experience in the Firm's business, including underwriting, investment and financial advisory services. The names with the respective rank and designation, and a summary of the supporting experience information must be indicated;
- c. The Firm has effective quality controls and procedures to ensure the integrity of fairness opinions and valuation reports issued by the Firm. This must be supported by the Firm's General Engagement Operating Guidelines or Risk Management Procedures (item number 7 of this Checklist).
- d. The list of completed engagements of the Firm for the past five (5) years to render financial valuation services to listed companies in the PSE and other reputable stock exchanges, commercial banks and insurance companies. This must be supported by documents proving the said engagements (item number 9 of this Checklist).
- e. The Firm's capital structure, ownership structure, members of the board of directors and key officers and personnel. The capital structure and ownership structure should indicate the number of fully paid shares and the total amount of paid-up capital. This may be supported by an information sheet of the Firm.
- f. The Firm, its directors or executive officers are **NOT** subject to any act or case that pose a serious question on the Firm's, directors' or executive officers' integrity or capability to provide services to listed companies. During the past five (5) years, the following events have not occurred involving the Firm, its directors or executive officers:
  - i. Any petition for insolvency was filed by or against the Firm or its directors or its executive officers;
  - ii. Any conviction by final judgment in a criminal proceeding for an offense involving moral turpitude, domestic or foreign, including a *nollo contendere* case, or being subject to a pending criminal proceeding for an offense involving moral turpitude, domestic or foreign, excluding traffic violations and other minor offenses<sup>2</sup>;
  - iii. Being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court or competent jurisdiction, domestic or foreign, permanently enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking activities; or

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<sup>2</sup> Please refer to PSE Memorandum No. 2007-0579 dated November 27, 2007 regarding the Interpretation of the Suitability Rule of the Exchange to clarify the determination of the suitability of the Firm, its directors and executive officers.

- iv. Being found by a domestic or foreign court of competent jurisdiction (in a civil action), the Commission or comparable foreign body, or a domestic or foreign exchange or electronic marketplace or self-regulatory organization, to have violated a securities or commodities law, and the judgment has not been reversed, suspended, or vacated.
  7. A description or summary of its General Engagement Operating Guidelines or Risk Management Procedures. These guidelines or procedures must identify and demonstrate the Firm's effective quality controls and procedures to ensure the integrity of fairness opinions and valuation reports. The valuation report and/or fairness opinion issued by the Firm shall indicate that, in preparation of such opinion/report, the Firm relied on available information and records, including but not limited to the representation of the applicant company, audited financial statements, competent person's reports, regulatory agency's reports and such other relevant supporting documents.
  8. List of the Firm's client base with a brief profile of its clients, including information on the nature of business, office address and contact details, and type of engagement being rendered or rendered by the Firm to the concerned client. The list must indicate completed engagements of the Firm for the past five (5) years to render financial valuation services to listed companies in the PSE and other reputable stock exchanges, commercial banks and insurance companies.
  9. Engagement Contracts or any similar relevant document(s) proving the completed engagements of the Firm for the past five (5) years to render financial valuation services to listed companies in the PSE and other reputable stock exchanges, commercial banks and insurance companies.
  10. Other documents which may be required by the PSE, including but not limited to updates on previous documents submitted.
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Notes:

- a. The Firm shall submit one (1) printed original copy of each required document. The printed copy must be bound in the order as indicated in the Checklist and must be properly labeled or tabbed.
- b. The Firm 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., Articles of Incorporation, CV of Mr. Juan Cruz, Engagement Contract with Company A, etc.). The CD or DVD must be properly labeled with the Firm's name and date of filing.
- c. The Firm shall submit a sworn Corporate Secretary's certification certifying that the hard copies and soft copies are identical.



# MEMORANDUM

## No.2010-0204

### The Philippine Stock Exchange, Inc.

<input type="checkbox"/> Disclosures	<input type="checkbox"/> Stockholders' Meeting	Others: <u>Interpretation of the</u>
<input type="checkbox"/> Dividend Notice	<input type="checkbox"/> SEC / Gov't Issuance	<u>Rule on Additional</u>
<input type="checkbox"/> Stock Rights Notice	<input type="checkbox"/> Transfer Agent's Notice	<u>Listing of Shares</u>

To : **ALL LISTED COMPANIES AND MARKET PARTICIPANTS**

Subject : **INTERPRETATION OF THE RULE ON ADDITIONAL LISTING OF SHARES FOR A PLACING AND SUBSCRIPTION TRANSACTION**

Date : **May 4, 2010**

Please be informed that in a regular meeting on April 28, 2010, the Board of Directors of the Exchange approved the attached interpretation of the Rule on Additional Listing of Shares provided under Article V, Part A of the Revised Listing Rules (see *Annex "A"*).

The attached interpretation is applicable to a transaction where an existing shareholder or related party, as defined in the Revised Listing Rules, sells its listed shares to a third party thereby reducing the existing shareholder's holdings in the listed company (the "placing tranche"). As part of the same transaction, the listed company subsequently issues to the related party at most the same number of shares as the shares sold (the "subscription tranche").

For your information and guidance.

**ROEL A. REFRAN**  
**VP – General Counsel and**  
**Concurrent Head, Issuer Regulation Division**

Finance / Corporate Services	Market Regulation Division	Issuer Regulation Division	Market Operations/IT	Capital Markets Dev't. Division	CEO / OGC
Tel. No. 688-7560/7440/7460	Tel. No. 688-7559	Tel. No. 688-7501/7510	Tel. No. 688-7405/819-4400	Tel. No. 688-7590	Tel. No. 688-7400/819-4408



## **INTERPRETATION OF THE RULE ON ADDITIONAL LISTING OF SHARES FOR A PLACING AND SUBSCRIPTION TRANSACTION**

*This Interpretation of the Rule on Additional Listing of Shares for a Placing and Subscription Transaction (the “Interpretation”) supplement and must be read in conjunction with the Rule on Additional Listing of Shares provided under Article V, Part A of the Revised Listing Rules of the Exchange (the “Rules”).*

1. This Interpretation is applicable to a transaction where an existing shareholder or related party, as defined in the Rules, sells its listed shares to a third party thereby reducing the former’s holdings in the listed company (the “placing tranche”). As part of the same transaction, the listed company subsequently issues to the related party at most the same number of shares as the shares sold (the “subscription tranche”). In this regard, the transaction covered by this Interpretation involves placing and subscription tranches.
2. The Exchange may allow the additional listing of shares of a listed company pursuant to a placing and subscription transaction provided that:
  - a. No related party, as defined in the Rules, will subscribe to the listed company’s shares under the placing tranche;
  - b. No person or persons acting in concert will subscribe to the listed company’s shares under the placing tranche amounting to 10% or more of the listed company’s issued and outstanding capital stock;
  - c. The subscription price of the new shares to be issued to the related party under the subscription tranche must be equivalent to the placing price. The placing price may be adjusted to account for the expenses of the placing;
  - d. The number of new shares to be issued to the related party must not exceed the number of shares sold in the placing;
  - e. The listed company’s shareholders must approve the placing and subscription transaction. The listed company’s shareholders may grant an authority to the listed company’s board of directors, subject to such terms and conditions as may be specified in the resolution, to implement the placing and subscription transaction; provided that, the basis for setting the number of placing/subscription shares, as well as the determination of the



- placing/subscription price are approved by the listed company's shareholders; and
- f. The listed company must comply with the disclosures required herein, notwithstanding the applicability of any of the provisions under the Revised Disclosure Rules of the Exchange.
3. Notwithstanding the applicability of any of the provisions under the Revised Disclosure Rules of the Exchange, the listed company is required to disclose through a Comprehensive Corporate Disclosure (CCD) the following information through the Online Disclosure System (ODiSy) of the Exchange:
- a. Name of the listed company;
  - b. Description of the transaction;
  - c. Name of the related party who will place its existing listed shares to a third party(ies);
  - d. Number and class of shares in the placing tranche;
  - e. Number and class of shares in the subscription tranche;
  - f. Placing price of the shares and the basis for setting such price;
  - g. Subscription price of the shares under the subscription tranche and terms of payment;
  - h. Total transaction value;
  - i. Rationale of the transaction;
  - j. Total funds to be raised and the proposed use of the proceeds, including a detailed work program;
  - k. Timetable of the placing and subscription transaction;
  - l. Applicable regulatory approvals;
  - m. Table showing the ownership structure of the listed company before and after the placing and subscription transaction indicating the number of shares held and respective percentage ownership of the listed company's shareholders. Such table must indicate the listed company's majority and minority shareholders, with the identities of controlling shareholders.
  - n. Complete list of the subscribers/investors under the placing tranche, with a background of the respective investors, one (1) trading day from the execution of such placing. Such background information must indicate the following:
    - i. for corporate investors: nature of business, capital structure, ownership structure, key officers and members of the board of directors, financial statements; and
    - ii. for individual investors: business affiliation/s, brief background on the business/es, position/s held.

- o. An external legal counsel's opinion, one (1) trading day after the actual execution of the placing tranche, that, under the placing tranche:
  - i. the listed company's shares have been validly issued and transferred to the investors, in accordance with the terms of the placing tranche;
  - ii. no investor or investors acting in concert have acquired the listed company's shares amounting to 10% or more of the listed company's issued and outstanding capital stock; and
  - iii. no related party, as defined in the Rules, have acquired any of the listed company's shares.

Unless otherwise specified herein and in the Revised Disclosure Rules of the Exchange, the listed company must promptly disclose any of the foregoing information in the CCD, except items (n) and (o) above, via the ODiSy in accordance with the Revised Disclosure Rules.

- 4. Upon proof of compliance with all the conditions and requirements under this Interpretation, the rights or public offering requirement provided under the Rule on Additional Listing of Shares will not apply to a placing and subscription transaction.
- 5. The new shares to be issued to the related party under the subscription tranche should be placed in escrow through an agreement with an escrow agent not to sell, assign, or in any manner dispose of the new shares for a minimum period of one hundred eighty (180) days from the listing of the subscription shares in the Exchange.

THE REGULAR MEETING  
OF THE BOARD OF DIRECTORS OF  
THE PHILIPPINE STOCK EXCHANGE, INC.  
Held on 22 June 2005

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**Resolution No. 126, Series of 2005**

“RESOLVED, That the Board of Directors of the Philippine Stock Exchange, Inc. (the “Exchange”) approve, as it hereby approves, the Revised Listing Fee Structure, a copy of which is attached to the Minutes of the meeting held on 22 June 2005 as Annex “F.”



# MEMO FOR BROKERS

Guidance Note 12

## The Philippine Stock Exchange, Inc.

_____ Disclosures	_____ Stockholders' Meeting	Others: <u>Annual Listing</u>
_____ Dividend Notice	_____ SEC / Gov't Issuance	<u>Maintenance</u>
_____ Stock Rights Notice	_____ Transfer Agent's Notice	<u>Fee</u>

**Date** : December 17, 2007

**Subject** : NEW ANNUAL LISTING MAINTENANCE FEE

In accordance with its rules, the Exchange will implement, effective December 28, 2007, the new annual listing maintenance fee ("ALMF") for listed companies, as follows:

1/100 of 1% of market capitalization but in no case to be less than P250,000.00 nor more than P2,000,000.00 for each listed company; the ALMF for companies listed under the SME Board is P100.00 for every P1 million market capitalization, but in no case to be less than P50,000.00 nor more than P250,000.00.

For the information and guidance of the public.

**(Original Signed)**  
**ROY JOSEPH M. RAFOLS**  
**SVP & Chief Operating Officer**

Finance / Admin / Membership	Compliance & Surveillance Grp.	Listing & Disclosures Grp.	COO / Automated Trading Grp.	Business Dev't & Info. Group	CEO / Legal
Tel. No. 688-7560/7440/7460	Tel. No. 688-7559	Tel. No. 688-7501/7510	Tel. No. 688-7405/819-4400	Tel. No. 688-7590	Tel. No. 688-7400/819-4408



# MEMORANDUM No.2008-0182

## The Philippine Stock Exchange, Inc.

<input type="checkbox"/> Trading Rules	<input type="checkbox"/> Computer Systems Update
<input type="checkbox"/> Membership Rules	<input type="checkbox"/> Administrative Matters
<input type="checkbox"/> Listing Rules	<input checked="" type="checkbox"/> Others: <b><u>Guidelines on posting disclosures/reports to websites</u></b>

To : **LISTED COMPANIES**  
 Subject : **GUIDELINES FOR LISTED COMPANIES ON POSTING DISCLOSURES/REPORTS TO THEIR WEBSITES**  
 Date : **April 8, 2008**

Further to Memo for Brokers No. 0524-2007 dated November 5, 2007, please be advised that the Exchange has adopted the following guidelines for listed companies to follow in uploading to their respective websites the reports/disclosures made to the Securities and Exchange Commission ("SEC") and the Exchange as well as the corporate governance reports:

1. All structured, unstructured and corporate governance reports submitted to the Exchange and SEC must be uploaded to the listed companies' respective websites.
2. Companies must only upload the disclosures submitted to the Exchange to their web sites upon receipt of the approval email from the Exchange or upon posting of the disclosures in the Exchange's website.
3. Below are the period within which listed companies are required to maintain the reports in their websites:
 

Structured Reports	-	At least Two Years
Unstructured Reports	-	At least 6 Months
Corporate Governance Report	-	At least One Year
4. The listed companies' websites should contain the actual disclosures/reports and not just provide a link to the Exchange's website.

For your immediate compliance.

***(Original Signed)***  
**ATTY. PETE M. MALABANAN**  
**Head, Disclosure Department**

Finance / Admin / Membership	Compliance & Surveillance Grp.	Listing & Disclosures Grp.	COO / Automated Trading Grp.	Business Dev't & Info. Group	CEO / Legal
Tel. No.688-7560/7440/7460	Tel. No. 688-7559	Tel. No. 688-7501/7510	Tel. No. 688-7405/819-4400	Tel. No. 688-7590	Tel. No. 688-7400/819-4408



# MEMORANDUM

DA - No. 2013-0726

## The Philippine Stock Exchange, Inc.

<input type="checkbox"/> Trading Rules	<input type="checkbox"/> Computer Systems Update
<input type="checkbox"/> Membership Rules	<input type="checkbox"/> Administrative Matters
<input type="checkbox"/> Listing Rules	<input checked="" type="checkbox"/> Others: Implementation of PSE EDGE System

To : **ALL LISTED COMPANIES AND OTHER MARKET PARTICIPANTS**

Subject : **IMPLEMENTATION OF THE PSE ELECTRONIC DISCLOSURE GENERATION TECHNOLOGY**

Date : **December 26, 2013**

This is with reference to our previous announcements on the PSE Electronic Disclosure Generation Technology ("PSE EDGE").

By way of background, the PSE EDGE is a web-based, automated disclosure system that facilitates the efficient processing, submission, distribution, and analysis of time-sensitive disclosure reports submitted to the Exchange. The new disclosure system, which was acquired from the Korea Exchange, effectively replaces the PSE Online Disclosure System ("ODiSy"), to further standardize the disclosure reporting process of listed companies, improve investors' disclosure searching and viewing, and enhance overall issuer transparency in the market.

**In this connection, please be advised that the implementation of the PSE EDGE will commence tomorrow, December 27, 2013, Friday. The PSE EDGE will, henceforth, be the official disclosure submission platform of all listed companies.**

All references to the **ODiSy** provided in the 2003 PSE Rules for Filings using the Online Disclosure System and all other subsequent Exchange announcements relating to the implementation and procedures for facilitating the electronic submission and distribution of corporate disclosures will now refer to the **PSE EDGE**. Starting December 27, 2013, all corporate disclosures as well as the listing and disclosure-related announcements will be made available on the PSE EDGE portal at <http://edge.pse.com.ph>.

For the information and guidance of the investing public.

**HANS B. SICAT**  
President and CEO

Controllership & Treasury	Market Operations Division	Issuer Regulation Division	Information Technology Division	Capital Markets Dev't Division	OGC / COO
Tel. No. 688-7561/688-7508	Tel. No. 688-7541	Tel. No. 688-7510	Tel. No. 688-7480	Tel. No. 688-7534	Tel. No. 688-7411



# MEMO FOR BROKERS

## No. 161-2007

**T h e P h i l i p p i n e S t o c k E x c h a n g e , I n c .**

<input type="checkbox"/> Trading Rules	<input type="checkbox"/> Computer Systems Update
<input type="checkbox"/> Membership Rules	<input type="checkbox"/> Administrative Matters
<input type="checkbox"/> Listing Rules	<input checked="" type="checkbox"/> Others: <b><u>Change in cut-off for releasing of disclosures submitted via ODiSy</u></b>

Date : **April 25, 2007**  
 Subject : **CHANGE IN CUT-OFF FOR RELEASING OF CORPORATE DISCLOSURES SUBMITTED USING THE ONLINE DISCLOSURE SYSTEM ("ODiSy")**

Please be informed that the cut-off for releasing of corporate disclosures is at **4:00 p.m. of each trading day**, reckoned from receipt by the PSE analyst in-charge through the ODiSy. All disclosures received on or before this cut-off will be released on the same trading day. Submissions after 4:00 p.m. will be released on the next trading day.

The new cut-off time shall take effect beginning **Wednesday, May 2, 2007**.

For your information and guidance.

***(Original Signed)***  
**ROY JOSEPH M. RAFOLS**  
***Head, Issuer Regulation Division***

Finance / Admin / Membership	Compliance & Surveillance Grp.	Listing & Disclosures Grp.	COO / Automated Trading Grp.	Business Dev't & Info. Group	CEO / Legal
Tel. No.688-7560/7440/7460	Tel. No. 688-7559	Tel. No. 688-7501/7510	Tel. No. 688-7405/819-4400	Tel. No. 688-7590	Tel. No. 688-7400/819-4408



# MEMO FOR BROKERS

 No. 268-2002
**Philippine Stock Exchange, Inc.**

<input type="checkbox"/> Disclosures	<input type="checkbox"/> Stockholders' Meeting	Others: <u>Amendment</u>
<input type="checkbox"/> Dividend Notice	<input type="checkbox"/> SEC / Gov't. Issuance	<u>To Rules</u>
<input type="checkbox"/> Stock Rights Notice	<input type="checkbox"/> Transfer Agent's Notice	_____

Date : November 14, 2002  
 Subject : AMENDMENT TO SECTION 10, ARTICLE XII (STOCK DIVIDENDS), LISTINGS & DISCLOSURE RULES


Please be informed that the Board of Directors of the Exchange, in its regular meeting held on 13 November 2002, approved the amendments to Section 10, Article XII (Stock Dividends) of the Listings & Disclosure Rules.

Section 10, Article XII (Stock Dividends) of the Listings & Disclosure Rules provides as follows:

"SECTION 10. Issuance of Certificates of Stock Dividend. – For the corporations the shares of which have been lodged with the PCD, all stock dividends and all cash dividends shall be remitted to PCD for immediate distribution to its participants no later than eighteen (18) trading days from record date (the payment date) provided, that in case of stock dividends, the credit of the stock dividend shall be on the Payment Date which in no case shall be later than the stock dividends' listing date.

"If the stock dividends shall come from an increase in capital stock, all stocks shall be credited to PCD for immediate distribution to its participants not later than twenty (20) trading days from date of approval by the Commission of the registration which in no case shall be later than the stock dividend listing date."

In response to a clarificatory letter sent by the Listings & Disclosure Group dated 21 October 2002, the SEC took note of the request of the Exchange to consider the required number of days within which the listed company must disclose the record date to the Exchange in setting the same. Thus, the SEC stated in its letter dated 28 October 2002 that a "uniform requirement on setting of payment date may be applied on all stock dividend declarations, whether the shares shall come from unissued capital or from (an) increase in the capital stock of the company".

					
Finance / Admin / Membership	Compliance & Surveillance Grp.	Listings & Disclosure Grp.	COO / Automated Trading Grp.	Business Dev't Group	CEO / Legal
Tel. No. 634-5112	Tel. No. 634-6903	Tel. No. 636-0122	Tel. No. 633-1311	Tel. No. 634-5089	Tel. No. 637-8805





# MEMO FOR BROKERS

No. 268-2002

## Philippine Stock Exchange, Inc.

<input type="checkbox"/> Disclosures	<input type="checkbox"/> Stockholders' Meeting	Others: <u>Amendment</u>
<input type="checkbox"/> Dividend Notice	<input type="checkbox"/> SEC / Gov't. Issuance	<u>To Rules</u>
<input type="checkbox"/> Stock Rights Notice	<input type="checkbox"/> Transfer Agent's Notice	_____

In view of the above declaration, payment dates are uniformly set to **eighteen (18) trading days**. A copy of the SEC letter dated 28 October 2002 is attached hereto as Annex "A".

Correspondingly, Section 10, Article XII of the Listings & Disclosure rules is amended as follows:

**"SECTION 10. Issuance of Certificates of Stock Dividend. --**  
 For the corporations the shares of which have been lodged with the PCD, all stock dividends and all cash dividends shall be remitted to PCD for immediate distribution to its participants no later than eighteen (18) trading days from record date (the payment date) provided, that in case of stock dividends, the credit of the stock dividend shall be on the Payment Date which in no case shall be later than the stock dividends' listing date.

"If the stock dividends shall come from an increase in capital stock, all stocks shall be credited to PCD for immediate distribution to its participants not later than eighteen (18) trading days from the record date set by the Commission, which in no case shall be later than the stock dividend listing date."

For your information and guidance.

**MA. PAMELA BARBARA D. QUIZON**  
 OIC, Legal Advisory Department  
 Listings & Disclosure Group

Noted by:

**JOSE G. CERVANTES**  
 Senior Vice President

Finance / Admin / Membership Tel. No. 634-5112	Compliance & Surveillance Grp. Tel. No. 634-6903	Listings & Disclosure Grp. Tel. No. 634-0122	COO / Automated Trading Grp. Tel. No. 633-1311	Business Dev't Group Tel. No. 634-5093	CEO / Legal Tel. No. 637-8805
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REPUBLIC OF THE PHILIPPINES  
SECURITIES & EXCHANGE COMMISSION  
SEC Bldg. EDSA, Greenhills, Mandaluyong City

CORPORATION FINANCE DEPARTMENT

October 28, 2002

ATTY. JOSE G. CERVANTES  
Senior Vice President  
PHILIPPINE STOCK EXCHANGE, INC.  
Philippine Stock Exchange Centre  
Exchange Road, Ortigas Center  
Pasig City

Dear Atty. Cervantes:

This is in reply to your letter dated October 21, 2002 relative to the implementation of Section 8 of the Amended Rules Governing Pre-Emptive and Other Subscription Rights.

Please be informed that the Company Registration and Monitoring Department (CRMD) of the Commission has been advised of your request to consider in its setting of record date the required number of days within which listed companies must disclose said date to the Exchange.

Anent your query, a uniform requirement on the setting of payment date may be applied on all stock dividend declarations, whether the shares shall come from the unissued capital or from the increase in the authorized capital stock of the company, in view of the fact that dividend shares from the former are no longer required to be registered under Sections 8 and 12 of the Securities Regulation Code which effectively eliminated the distinction between the two.

As ruled therefore on EDSA Properties Holdings, Inc., the payment dates shall not be later than eighteen (18) trading days from record date. The record date may in such case be set beyond the minimum of ten (10) days from approval of the increase in capital stock. This would solve the problem on overlapping of dates and violation of the Disclosure Rules of the Exchange.

Very truly yours,

A handwritten signature in black ink, appearing to read "Justina F. Callangan".

JUSTINA F. CALLANGAN  
Director

*Jw*  
10/29/02



# MEMO FOR BROKERS

**No. 38-2003**
**Philippine Stock Exchange, Inc.**

<input type="checkbox"/> Disclosures	<input type="checkbox"/> Stockholders' Meeting	Others: _____
<input type="checkbox"/> Dividend Notice	<input type="checkbox"/> SEC / Gov't. Issuance	_____
<input type="checkbox"/> Stock Rights Notice	<input type="checkbox"/> Transfer Agent's Notice	_____

**Date : February 6, 2003**
**Subject : DEADLINE OF REMITTANCE OF CASH DIVIDENDS ACCRUING TO SHARES NOT LODGED IN PCD**

Attached is a copy of the letter of Atty. Justina F. Callangan, Director, Corporation Finance Department of the Securities and Exchange Commission, clarifying the remittance of cash dividends accruing to shares not lodged in the PCD or those in certificated form.

For your information and guidance.



**JOSE G. CERVANTES**  
*Senior Vice President*

		<i>P. Zamora</i>			
Finance / Admin / Membership	Compliance & Surveillance Grp.	Listings & Disclosure Grp.	COO / Automated Trading Grp.	Business Dev't Group	CEO / Legal
Tel. No. 634-5112	Tel. No. 634-6903	Tel. No. 636-0122	Tel. No. 633-1311	Tel. No. 634-5089	Tel. No. 637-8805



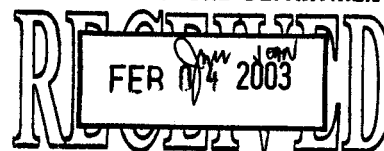
REPUBLIC OF THE PHILIPPINES  
**SECURITIES AND EXCHANGE COMMISSION**  
SEC Bldg. EDSA, Greenhills, Mandaluyong City

CORPORATION FINANCE DEPARTMENT

January 31, 2003

**ATTY. JOSE G. CERVANTES**  
Senior Vice President  
**PHILIPPINE STOCK EXCHANGE, INC.**  
Philippine Stock Exchange Centre  
Exchange Road, Ortigas Center  
Pasig City

**P S E - DISCLOSURE DEPARTMENT**



Dear Atty. Cervantes:

This is to clarify the issue on the deadline for the remittance of cash dividends accruing to shares not lodged in the PCD or those in certificated form, which is unfortunately not provided under paragraph (1) of SEC-BED Memorandum Circular No. 05-97 ("Circular") that reads as follows:

"For the corporations the shares of which have been lodged with the Philippine Central Depository (PCD), all stock dividends and all cash dividends shall be remitted to PCD for immediate distribution to its Participants no later than eighteen (18) trading days from record date ("Payment Date") provided, that in case of stock dividends, the credit of the stock dividend shall be on the Payment Date which in no case shall be later than the stock dividends listing date.

If the stock dividends shall come from an increase in capital stock, all stocks shall be credited to PCD for immediate distribution to its Participants no later than twenty (20) trading days from the date of approval by the Commission of the registration which in no case shall be later than the stock dividend listing date." (highlighting, ours)

Clearly, no remittance to the PCD can be made in cases where the shares are not lodged with it. The absence therefore of a custodian or PCD in the process would necessarily make the distribution of the cash dividends by the company directly to the individual stockholders "no later than eighteen (18) trading days from record date", as indicated in the aforementioned provision of the Circular. The same procedure shall apply to second paragraph of the Circular.

We trust that the foregoing settles the subject issue.

Very truly yours,

A handwritten signature in black ink, appearing to read "Justina F. Callangan".

**JUSTINA F. CALLANGAN**  
Director







Republic of the Philippines  
**SECURITIES AND EXCHANGE COMMISSION**  
SEC Building, EDSA, Greenhills, Mandaluyong City, Metro Manila

CORPORATION FINANCE DEPARTMENT

SEC Memorandum Circular No. 2  
Series of 2009

TO : All Concerned  
SUBJECT : Amended Rules Governing Pre-emptive and other Subscription Rights and Declaration of Stock and Cash Dividends of Corporations whose Securities are Registered under the Revised Securities Act<sup>1</sup> or Listed in the Stock Exchange

The Commission En Banc, in its meeting on April 2, 2009 approved the amendment of Section 3 of the subject Rules so that the said Section shall now read as follows:

“SECTION 3. All cash dividends declared by corporations shall have a record date which shall not be less than ten (10) nor more than thirty (30) days from said declaration. In case no record date is specified, then the same shall ipso facto be deemed fixed at fifteen (15) days from such declaration.

**Provided, however, that companies that are obliged to pay dividends may have a single declaration for several cash dividends within a year subject to the condition that their record and payment dates are also explicitly provided. (emphasis supplied)”**

Effectivity

This amendment shall take effect fifteen (15) days after publication in two (2) newspapers of general circulation in the Philippines.

Mandaluyong City, Metro Manila, April 17, 2009.

*F. B. Barin*  
FE B. BARIN  
Chairman

<sup>1</sup> Now Securities Regulation Code (SRC) R.A. 8799







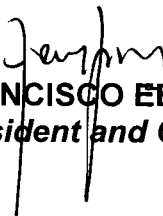
# MEMORANDUM



## The Philippine Stock Exchange, Inc.

- |   |  |
|---|--|
| <input type="checkbox"/> Trading Rules    | <input type="checkbox"/> Computer Systems Update |
| <input type="checkbox"/> Membership Rules | <input type="checkbox"/> Administrative Matters  |
| <input type="checkbox"/> Listing Rules    | <input checked="" type="checkbox"/> Others:      |

- b. Quarterly Report - additional of **five (5) calendar days** or **immediately upon submission to the Commission**, whichever is earlier.
  - c. If the last day of the extended deadline falls on a Saturday, Sunday and/or a holiday, the last day of the extended deadline shall be automatically adjusted to the next working day.
3. Deadline for filing of request for extension will be on the day of the original deadline for submission of the report.
  4. Non-compliance with the above-mentioned extended deadlines shall be dealt with the imposition of appropriate penalty/ies and/or sanctions provided for in the Revised Disclosure Rules.

For your information and guidance.

  
**FRANCISCO ED. LIM**  
*President and CEO*

					
FID/CSD	Market Regulation Division	Issuer Regulation Division	Information Technology Division	Capital Markets Dev't Division	Office of the General Counsel
Tel. No. 688-7561/688-7508	Tel. No. 688-7541	Tel. No. 688-7510	Tel. No. 688-7480	Tel. No. 688-7534	Tel. No. 688-7411



*Republic of the Philippines*  
**SECURITIES AND EXCHANGE COMMISSION**  
 SEC Building, EDSA, Greenhills  
 Mandaluyong City

SEC Memorandum Circular No. 7  
 Series of 2008

To: All Concerned Corporations

Subject: New procedures for filing of annual financial statements

Date: August 1, 2008

THE Commission has observed that, during the past years, the filing of the annual financial statements (FS) at its head office in Mandaluyong City had been done either close to the last day or the deadline itself.

The rush of "deadline filers" often caused near pandemonium in the premises that compromised the safety of the filers, the Commission's personnel and government properties.

To prevent a recurrence of these incidents and make the filing of FS more orderly, the Commission, pursuant to its authority under the Corporation Code and Securities Regulation Code, resolved in its meeting on July 31, 2008, to adopt the following measures in the filing of the FS of companies whose fiscal year ends on December 31, 2008:

1. All corporations, including branch offices, representative offices, regional headquarters and regional operating headquarters of foreign corporations, that file their FS at the Commission's head office shall, depending on the last numerical digit of their SEC registration or license number, be governed by the following schedule in 2009:
 

April 20, 21, 22, 23, 24	:	"1," "2," "3"
April 27, 28, 29, 30	:	"4" and "5"
May 4, 5, 6, 7, 8	:	"6," "7," "8"
May 11, 12, 13, 14	:	"9" and "0"
2. Corporations whose fiscal year ends on a date other than December 31, 2008 shall comply with their original filing schedule;
3. Prior to April 20, 2009, all corporations may file their FS regardless of the last numerical digit of their registration or license number;

4. Late filings shall be accepted starting May 15 and shall be subject to the prescribed penalties which shall be computed from the date of the last day of the filing schedule stated in paragraph 1;
5. Any filing made before or after the scheduled dates shall not be accepted unless covered by paragraphs 3 and 4 above;
6. Requests for extension of time to file the FS or notifications of inability to not be accepted;
7. Except for the foregoing changes, (a) all the rules on the preparation and submission of the FS, such as, but not limited to, proof of filing of the FS with the Bureau of Internal Revenue or any of its authorized agent banks, and registration of the corporation's auditor with the Board of Accountancy shall continue to be in effect; and (b) the existing period for the filing by listed companies of their FS at the Philippine Stock Exchange, i.e., 105 days after the end of the fiscal year, shall remain unchanged; and
8. All FS that meet the basic acceptance criteria shall be received subject to the Commission's review of its form and contents. Any deficiency in the filing or deviation from prescribed accounting and audit standards that may be found during the review shall subject the company concerned, its officers and auditors to appropriate penalties for violation of SRC Rule 68 and other applicable rules and regulations.

All other circulars, memoranda and implementing rules and regulations that may be inconsistent with the foregoing provisions shall be deemed modified or amended accordingly.

This Memorandum Circular shall be published in two newspapers of general circulation.

Mandaluyong City, Metro Manila, Philippines.

For the Commission

*F. B. Barin*  
F. B. Barin  
Chairperson

**SAMPLE TEMPLATE FOR REQUEST FOR EXTENSION OF DEADLINE (ANNUAL REPORT)**

(COMPANY LETTERHEAD)

April 14, 2009 (Date of request)

**DISCLOSURE DEPARTMENT  
THE PHILIPPINE STOCK EXCHANGE, INC.  
4/F PSE Centre, Exchange Road  
Ortigas Center, Pasig City**

**Attention:** Name of Head of Disclosure Department  
*Head*

**Subject:** Request for extension to submit Annual Report for fiscal year ended December 31, 2008

Gentlemen:

XYZ Company would like to request for extension of deadline to submit its Annual Report for the fiscal year ended December 31, 2008.

The Company will not be able to file the above-mentioned report on its deadline of April 15, 2009 be cause

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

The Company undertakes to submit the report within fifteen (15) calendar days after the prescribed deadline or upon submission of the report to the Securities and Exchange Commission, whichever is earlier. The Company understands that failure to comply with the undertaking may result to the imposition of applicable penalty/ies and/or sanction/s.

Very truly yours,

**Corporate Information Officer**  
*Designation*

**SAMPLE TEMPLATE FOR REQUEST FOR EXTENSION OF DEADLINE (QUARTERLY REPORT)**

(COMPANY LETTERHEAD)

May 14, 2009 (Date of request)

**DISCLOSURE DEPARTMENT**  
**THE PHILIPPINE STOCK EXCHANGE, INC.**  
4/F PSE Centre, Exchange Road  
Ortigas Center, Pasig City

**Attention:** Name of Head of Disclosure Department  
**Head**

**Subject:** Request for extension to submit Quarterly Report for period ended March 31, 2009

Gentlemen:

XYZ Company would like to request for extension of deadline to submit its Quarterly Report for the period ended March 31, 2009.

The Company will not be able to file the above-mentioned report on its deadline of May 15, 2009 because

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

The Company undertakes to submit the report within five (5) calendar days after the prescribed deadline or upon submission of the report to the Securities and Exchange Commission, whichever is earlier. The Company understands that failure to comply with the undertaking may result to the imposition of applicable penalty/ies and/or sanction/s.

Very truly yours,

**Name of Corporate Information Officer**  
**Designation**



# MEMO FOR BROKERS

**The Philippine Stock Exchange, Inc.**

<input type="checkbox"/> Trading Rules	<input type="checkbox"/> Computer Systems Update
<input type="checkbox"/> Membership Rules	<input type="checkbox"/> Administrative Matters
<input type="checkbox"/> Listing Rules	<input checked="" type="checkbox"/> Others: <b><u>Foreign Ownership Report</u></b>

Date : **November 8, 2007**  
 Subject : **UPDATING OF MONTHLY FOREIGN OWNERSHIP LEVEL**

Please be informed that, **effective on December 1, 2007**, all listed companies submitting monthly foreign ownership reports will be required to use the *Submit Shares Information* of the Online Disclosure System (<https://odisy.pse.ph>) for the direct updating of its shares in lieu of the PDF submission. Shares update must be reported not later than the last working day of the first week of every month. Cut-off time for the submission is at **4:00 p.m. of each trading day.**

In addition, please be reminded that listed companies are also required to include in their reporting the foreign ownership data of unlisted shares.

Please refer to the attached guidelines.

For your information and guidance.

***(Original Signed)***  
**ATTY. PETE M. MALABANAN**  
***Head, Disclosure Department***

**Noted by:**

***(Original Signed)***  
**ROY JOSEPH M. RAFOLS**  
***COO/Head, Issuer Regulation Division***

Page 1 of 5

Finance / Admin / Membership	Compliance & Surveillance Grp.	Listing & Disclosures Grp.	COO / Automated Trading Grp.	Business Dev't & Info. Group	CEO / Legal
Tel. No.688-7560/7440/7460	Tel. No. 688-7559	Tel. No. 688-7501/7510	Tel. No. 688-7405/819-4400	Tel. No. 688-7590	Tel. No. 688-7400/819-4408



The following are the implementing guidelines on Foreign Ownership

## **I. Introduction**

1. The submission of foreign owned shares on-line shall provide the investing public with timely information needed in making investment decisions.
2. Section 17.13 of the Revised Disclosure Rules of the Exchange requires that issuers with unclassified shares and foreign ownership limits shall submit to the Exchange its foreign ownership level.
3. All listed companies shall adopt prudent practice, act all times with integrity and observe the highest standards of market conduct. They shall accept responsibility for the actions of their own staff.
4. All listed companies shall;
  - a. Ensure that there are adequate systems and procedures to perform the reportorial and documentation requirements for the effective management of the risks involved with foreign ownership requirements;
  - b. Establish, retain and update daily the documentation to comply with the requirements of the applicable laws and regulations;
  - c. Ensure that suitable internal controls are in place;
  - d. Ensure that all updates to the foreign owned shares have been properly authorized before reported to PSE;
  - e. Ensure that there is a clear and timely records containing the total number of foreign and locally owned shares and dates that it would be effected;

## **II. Guidelines for Listed Companies**

1. PSE shall provide the listed company access to the Online Disclosure System (ODiSy). The information reported by the listed company using OdiSy shall be considered valid and correct.
2. The listed company is required to update the foreign and local ownership level via the Online Disclosure System (ODiSy) not later than 4:00 p.m. of each trading day.
3. The listed company shall ensure that;
  - a. The report contains the exact number of foreign and local owned shares.
  - b. The number of foreign and local owned shares reported to the PSE is updated as of 4:00 pm of the current trading day.
  - c. The PSE has received the exact number of shares and has approved the information for public viewing.
4. The PSE shall monitor and regulate the reporting of listed companies regarding foreign ownership.
5. In the event of failure of reporting the monthly foreign ownership, penalties and charges indicated in the Revised Disclosure Rules will be used.

**Prerequisite**

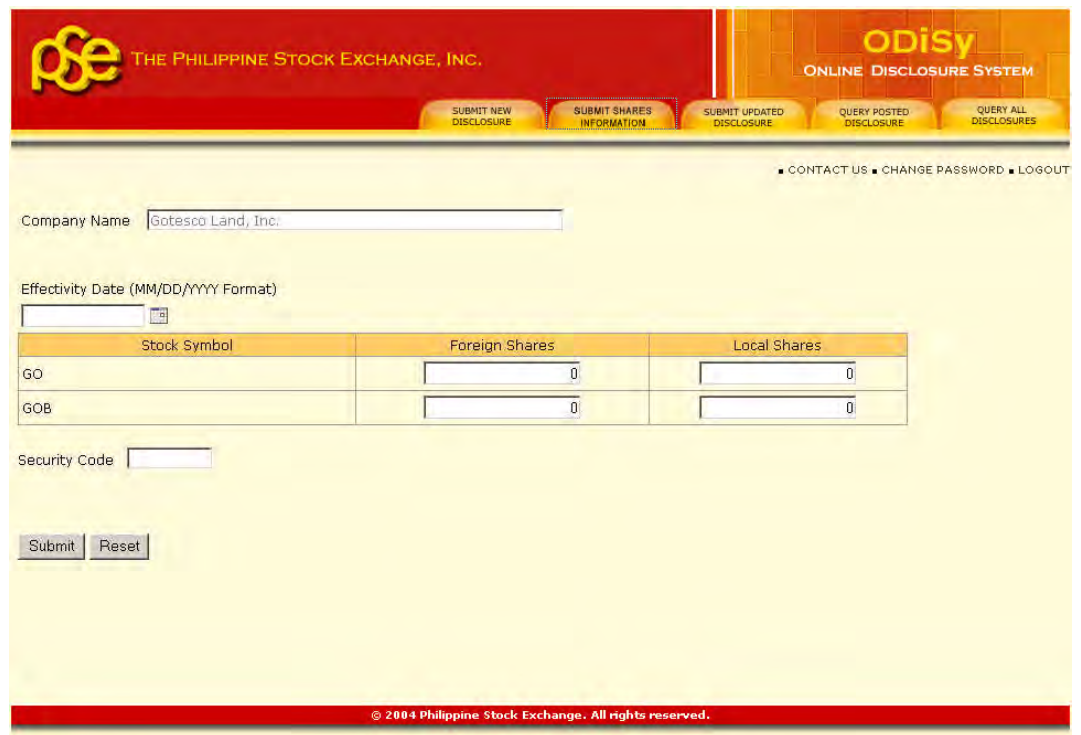
- User must have access to ODISY
- User must login to ODISY

**Submit Shares Information**

1. Once login, user clicks on SUBMIT SHARES INFORMATION tab.



Login Confirmation Page



Foreign Ownership Monitoring Page

2. Company Name is automatically displayed



3. Enter Effectivity Date for the update. User can use the calendar icon to select the date or can key-in the date using the mm/dd/yyyy format. Effectivity date must be a future date otherwise, system will reject

**THE PHILIPPINE STOCK EXCHANGE, INC.**

**ODISY**  
ONLINE DISCLOSURE SYSTEM

SUBMIT NEW DISCLOSURE   SUBMIT SHARES INFORMATION   SUBMIT UPDATED DISCLOSURE   QUERY POSTED DISCLOSURE   QUERY ALL DISCLOSURES

CONTACT US   CHANGE PASSWORD   LOGOUT

**SUBMIT SHARES INFORMATION**

Company Name

Effectivity Date (MM/DD/YYYY Format)

Stock Symbol

Stock Symbol	Shares	Local Shares
GO	<input type="text" value="0"/>	<input type="text" value="0"/>
GOB	<input type="text" value="0"/>	<input type="text" value="0"/>

Security Code

© 2004 Philippine Stock Exchange. All rights reserved.

Calendar pop-up

4. Enter the necessary information for the Foreign and Local Shares. If company has more than one securities listed in the Exchange, all securities will be displayed.
5. Enter Security Code for validation purposes.
6. Click on Submit button to post updates. A confirmation page will be displayed. Otherwise, click on Reset button to clear information entered.

**THE PHILIPPINE STOCK EXCHANGE, INC.**

SUBMIT NEW DISCLOSURE   SUBMIT SHARES INFORMATION

**SUBMIT SHARES INFORMATION**

Shares has been successfully added

[Back](#)

Confirmation Page

## GUIDELINES FOR UPDATING OF UNLISTED SHARES

The screenshot shows the 'SUBMIT SHARES INFORMATION' page on the PSE ODisy system. The header includes the PSE logo and navigation buttons for 'SUBMIT NEW DISCLOSURE', 'SUBMIT SHARES INFORMATION', 'SUBMIT UPDATED DISCLOSURE', 'QUERY POSTED DISCLOSURE', and 'QUERY ALL DISCLOSURES'. The main content area contains a form for entering company details and share counts.

**Company Name:** Megaworld Corporation

**Date:** 09/20/2007 (Format MMDD/YYYY (Cut off time is at 4:00 pm in the afternoon))

Stock Symbol	Foreign Shares	Local Shares
MEG	4234123	93244456

Check to post unlisted shares

	Foreign	Local	Total Outstanding
UNLISTED	456365	678567	1134932

Click to view previously submitted information that are still valid for updating

**Security Code:** [masked]

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The following will be the steps to report unlisted shares:

1. User has to tick the option *Check to post unlisted shares*. Text boxes will appear.
2. User enters the corresponding values for the foreign, local and outstanding shares of unlisted securities. For companies with more than one unlisted securities, aggregate value will have to be entered.

Also, user has to enter foreign and local shares per security.



# MEMO FOR BROKERS

## No. 249-2007

### The Philippine Stock Exchange, Inc.

<input type="checkbox"/> Trading Rules	<input type="checkbox"/> Computer Systems Update
<input type="checkbox"/> Membership Rules	<input type="checkbox"/> Administrative Matters
<input type="checkbox"/> Listing Rules	<input checked="" type="checkbox"/> Others: <b><u>Report on Foreign Ownership</u></b>

Date : **June 15, 2007**  
 Subject : **UPDATING OF FOREIGN OWNERSHIP LEVEL**

Please be informed that, **effective on July 2, 2007**, listed companies with unclassified shares and foreign ownership limits will be required to update their securities information using the facility of the Online Disclosure System (<https://odisy.pse.ph>) of the Exchange. Shares update must be reported **not later than 4:00 p.m. of each trading day**, which shall include basic information showing the exact number of shares in the hands of foreign and local shareholders. Reporting, however, will only be made whenever there are changes in the amount of foreign shareholdings.

This requirement is **in addition** to the Report on Foreign Ownership currently submitted by the Issuers on a monthly basis pursuant to Section 17.13 of the Revised Disclosure Rules.

Please refer to the attached guidelines for your information and guidance.

*(Original Signed)*  
**ATTY. PETE M. MALABANAN**  
*Head, Disclosure Department*

Noted by:

*(Original Signed)*  
**ROY JOSEPH M. RAFOLS**  
*Head, Issuer Regulation Division*

Page 1 of 5

Finance / Admin / Membership	Compliance & Surveillance Grp.	Listing & Disclosures Grp.	COO / Automated Trading Grp.	Business Dev't & Info. Group	CEO / Legal
Tel. No.688-7560/7440/7460	Tel. No. 688-7559	Tel. No. 688-7501/7510	Tel. No. 688-7405/819-4400	Tel. No. 688-7590	Tel. No. 688-7400/819-4408

**Prerequisite**

- User must have access to ODISY
- User must login to ODISY

**Submit Shares Information**

1. Once login, user clicks on SUBMIT SHARES INFORMATION tab.



Login Confirmation Page



Foreign Ownership Monitoring Page

2. Company Name is automatically displayed

3. Enter Effectivity Date for the update. User can use the calendar icon to select the date or can key-in the date using the mm/dd/yyyy format. Effectivity date must be a future date otherwise, system will reject

**THE PHILIPPINE STOCK EXCHANGE, INC.**

**ODISY**  
ONLINE DISCLOSURE SYSTEM

SUBMIT NEW DISCLOSURE    SUBMIT SHARES INFORMATION    SUBMIT UPDATED DISCLOSURE    QUERY POSTED DISCLOSURE    QUERY ALL DISCLOSURES

CONTACT US    CHANGE PASSWORD    LOGOUT

**SUBMIT SHARES INFORMATION**

Company Name

Effectivity Date (MM/DD/YYYY Format)

Stock Symbol	Shares	Local Shares
GO	<input type="text" value="0"/>	<input type="text" value="0"/>
GOB	<input type="text" value="0"/>	<input type="text" value="0"/>

Security Code

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Calendar pop-up

4. Enter the necessary information for the Foreign and Local Shares. If company has more than one securities listed in the Exchange, all securities will be displayed.
5. Enter Security Code for validation purposes.
6. Click on Submit button to post updates. A confirmation page will be displayed. Otherwise, click on Reset button to clear information entered.

**THE PHILIPPINE STOCK EXCHANGE, INC.**

SUBMIT NEW DISCLOSURE    SUBMIT SHARES INFORMATION    SUBMIT UPDATED DISCLOSURE    QUERY POSTED DISCLOSURE    QUERY ALL DISCLOSURES

**SUBMIT SHARES INFORMATION**

Shares has been successfully added

[Back](#)

Confirmation Page



## **PSE Implementing Guidelines on Foreign Ownership**

The following are the implementing guidelines on Foreign Ownership

### **I. Introduction**

1. The submission of foreign owned shares on-line shall provide the investing public with timely information needed in making investment decisions.
2. Section 17.13 of the Revised Disclosure Rules of the Exchange requires that issuers with unclassified shares and foreign ownership limits shall submit to the Exchange its foreign ownership level.
3. All listed companies shall adopt prudent practice, act all times with integrity and observe the highest standards of market conduct. They shall accept responsibility for the actions of their own staff.
4. All listed companies shall;
  - a. Ensure that there are adequate systems and procedures to perform the reportorial and documentation requirements for the effective management of the risks involved with foreign ownership requirements;
  - b. Establish, retain and update daily the documentation to comply with the requirements of the applicable laws and regulations;
  - c. Ensure that suitable internal controls are in place;
  - d. Ensure that all updates to the foreign owned shares have been properly authorized before reported to PSE;
  - e. Ensure that there is a clear and timely records containing the total number of foreign and locally owned shares and dates that it would be effected;

### **II. Guidelines for Listed Companies**

1. PSE shall provide the listed company access to the Online Disclosure System (ODiSy). The information reported by the listed company using OdiSy shall be considered valid and correct.
2. The listed company is required to update the foreign and local ownership level as of T-3 transaction via the Online Disclosure System (ODiSy) not later than 4:00 p.m. of each trading day. Whenever there are no changes reported, the previously reported data will be considered as current.
3. The listed company shall ensure that;
  - a. The report contains the exact number of foreign and local owned shares for every trading day.
  - b. The number of foreign and local owned shares reported to the PSE is updated as of 4:00 pm of the current trading day.
  - c. The PSE has received the exact number of shares and has approved the information for public viewing.
4. The listed companies shall continue submitting the monthly reports, to be submitted not later than the last working day of the first week of every month.



## **PSE Implementing Guidelines on Foreign Ownership**

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5. The PSE shall monitor and regulate the reporting of listed companies regarding foreign ownership.
6. In the event of failure of reporting the monthly foreign ownership, penalties and charges indicated in the Revised Disclosure Rules will be used.



# MEMO FOR BROKERS

## No. 437-2007

**T h e P h i l i p p i n e S t o c k E x c h a n g e , I n c .**

<input type="checkbox"/> Trading Rules	<input type="checkbox"/> Computer Systems Update
<input type="checkbox"/> Membership Rules	<input type="checkbox"/> Administrative Matters
<input type="checkbox"/> Listing Rules	<input checked="" type="checkbox"/> Others: <b><u>Foreign Ownership Monitoring</u></b>

Date : **September 24, 2007**  
 Subject : **UPDATING OF FOREIGN OWNERSHIP LEVEL**

This is in reference to Memo for Brokers No. 249-2007 in connection with the requirement to regularly update the basic information reflecting changes in the exact number of shares in the hands of foreign and local shareholders.

Please be informed that listed companies are likewise required to include in their reporting the number of unlisted shares in the hands of foreign and local shareholders via the Online Disclosure System.

Attached are the guidelines for reporting of unlisted shares.

For immediate compliance.

***(Original Signed)***  
**ATTY. PETE M. MALABANAN**  
***Head, Disclosure Department***

**Noted by:**

***(Original Signed)***  
**ROY JOSEPH M. RAFOLS**  
***Head, Issuer Regulation Division***

Page 1 of 2

Finance / Admin / Membership	Compliance & Surveillance Grp.	Listing & Disclosures Grp.	COO / Automated Trading Grp.	Business Dev't & Info. Group	CEO / Legal
Tel. No.688-7560/7440/7460	Tel. No. 688-7559	Tel. No. 688-7501/7510	Tel. No. 688-7405/819-4400	Tel. No. 688-7590	Tel. No. 688-7400/819-4408



## GUIDELINES FOR UPDATING OF UNLISTED SHARES (Regular updating of foreign ownership)

The screenshot shows the 'SUBMIT SHARES INFORMATION' page on the PSE ODisy system. The page includes a header with the PSE logo and navigation buttons. The main content area contains a form for entering company details and share information.

**Company Name:** Megaworld Corporation

**Date:** 09/20/2007 (Format MMDD/YYYY (Cut off time is at 4:00 pm in the afternoon))

Stock Symbol	Foreign Shares	Local Shares
MEG	4234123	93244456

Check to post unlisted shares

	Foreign	Local	Total Outstanding
UNLISTED	456365	678567	1134932

Click to view previously submitted information that are still valid for updating

**Security Code:** [masked]

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The following will be the steps to report unlisted shares:

1. User has to tick the option Click to post unlisted shares. Text boxes will appear.
2. User enters the corresponding values for the foreign, local and outstanding shares of unlisted securities. For companies with more than one unlisted securities, aggregate value will have to be entered.

Also, user has to enter foreign and local shares per security.



# MEMO FOR BROKERS

## NO. 017-2005

### The Philippine Stock Exchange, Inc.

<input type="checkbox"/> Trading Rules	<input type="checkbox"/> Computer Systems Update
<input type="checkbox"/> Membership Rules	<input type="checkbox"/> Administrative Matters
<input type="checkbox"/> Listing Rules	<input type="checkbox"/> Others: <b><u>Implementing Guidelines for Companies Under Corporate Rehabilitation</u></b>
<input type="checkbox"/>	<input checked="" type="checkbox"/>

Date : **January 19, 2005**  
 Subject : **Implementing Guidelines for Companies Under Corporate Rehabilitation**

The Securities and Exchange Commission, in its letter to the Exchange dated 23 December 2004, which the Exchange received on 19 January 2005, approved the ***Implementing Guidelines for Companies Under Corporate Rehabilitation***. The *Implementing Guidelines* shall forthwith be applied to all listed companies undergoing judicial proceedings for rehabilitation.

Attached is a copy of the *Implementing Guidelines* for your reference.

***(Original Signed)***  
**MA. PAMELA D. QUIZON-LABAYEN**  
***Head, Disclosure Department***

**Noted by:**

***(Original Signed)***  
**JURISITA M. QUINTOS**  
***Senior Vice President***

Finance / Admin / Membership Tel. No. 688-7560/7440/7460	Compliance & Surveillance Grp. Tel. No. 688-7559	Listing & Disclosures Grp. Tel. No. 688-7501/7510	COO / Automated Trading Grp. Tel. No. 688-7405/819-4400	Business Dev't & Info. Group Tel. No. 688-7590	CEO / Legal Tel. No. 688-7400/819-4408

## Implementing Guidelines on Companies under Corporate Rehabilitation

### A. Issuance of Trading Suspension

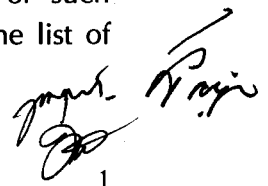
As provided for in the Listing & Disclosure Rules, a trading suspension shall immediately be issued upon receipt of the initial disclosure on any planned or actual filing of a petition for corporate rehabilitation. A Circular is issued to Trading Participants announcing the planned or actual filing, and the trading suspension to be effected. Listed companies shall likewise submit to the Commission and the Exchange a copy each of the Petition and all the annexes including the Proposed Rehabilitation Plan as filed with the court having jurisdiction over the rehabilitation proceedings, within twenty four (24) hours from actual filing thereof.

### B. Lifting of the Trading Suspension

The Exchange shall disseminate any approval of the rehabilitation plan issued by the court. Upon approval of the rehabilitation plan, the Issuer shall submit a comprehensive corporate disclosure on the effects of the rehabilitation plan on the capital structure of the company, if any, within forty-eight hours from receipt of the approval of the Rehabilitation Plan. The disclosure shall then be released to Trading Participants upon receipt of the same, with the corresponding announcement on any changes to the capital structure of the company. The trading suspension shall be lifted five (5) trading days from release of the comprehensive corporate disclosure. The lifting of the trading suspension shall be effected whether or not an appeal is filed by any of the company's creditors, unless the implementation of the plan is restrained by the appellate court. In the event the appellate court restrains or enjoins the RTC and the parties from implementing the Rehabilitation Plan or reverses or sets aside the Order approving the Rehabilitation Plan, the Exchange shall immediately issue a trading suspension upon receipt of disclosure of such restraining order, injunction or order of reversal.

The Issuer shall likewise submit to the Commission and the Exchange a copy each of the Rehabilitation Plan as approved by the Court.

If a company is suspended for grounds other than the pendency of the proceedings for rehabilitation, trading suspension shall only be lifted upon the submission of such requirements that would entail lifting of the suspension, and/or removal from the list of candidates for delisting.



1

The pendency of corporate rehabilitation proceedings and the suspension of trading of the company's securities do not bar the applicability of the Revised Disclosure Rules and the reportorial requirements under the same. Material developments on the judicial proceedings are required to be disclosed by the Issuer, including any change or deviation from the approved rehabilitation plan. The continued submission of disclosure requirements remains the principal responsibility of the Issuer, including any information submitted by the rehabilitation receiver to the court.

While the Company is under Corporate Rehabilitation, the Exchange shall post in the 'Message Window' of the Maktrade System that the Company is 'under corporate rehabilitation'. Further, said reminder shall be included in the daily quotation that the Exchange distributes daily to the public. Any posting of a disclosure about the company into the PSE's website or Online Disclosure System shall bear the same reminder. These requirements shall remain in effect until such time that the status of the Company warrants the removal or amendment of said notice.

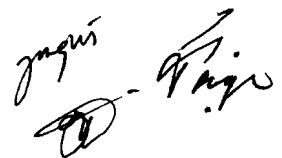
#### D. Delisting

When the court where the rehabilitation proceedings are pending dismisses the petition by denying due course to the same, the Exchange shall disseminate the information to the Trading Participants and the general public.

Should a company fail to implement the rehabilitation plan as approved by the court and under the terms and conditions set forth therein, or when rehabilitation proceedings are terminated prior to full implementation of the approved rehabilitation plan, the Exchange shall suspend the trading of the company's shares for the initiation of delisting procedures. Delisting procedures under these Guidelines shall be without prejudice to other grounds that may be applicable against a listed company.

#### E. Effectivity

These Guidelines shall take effect in accordance with Section 40.3 of the Securities Regulation Code.





Republic of the Philippines  
**SECURITIES AND EXCHANGE COMMISSION**  
SEC Bldg. EDSA, East Greenhills, Mandaluyong City

MARKET REGULATION DEPARTMENT

October 11, 2010

**PHILIPPINE STOCK EXCHANGE INC.**

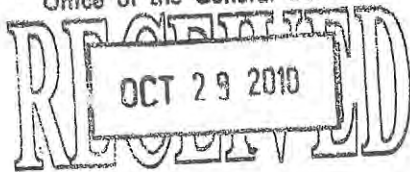
PSE Plaza  
Ayala Triangle  
Makati City  
Fax: 891-4100

*Attention: Atty. Joselito Banaag, General Counsel*

Gentlemen:

Attached are two (2) copies of the approved PSE Rules on Quasi-Reorganization, bearing the signatures of PSE representatives and countersigned by the Director, Market Regulation Department, SEC.

The Philippine Stock Exchange, Inc.  
Office of the General Counsel



Very truly yours,

A handwritten signature in blue ink, appearing to read "Jose P. Aquino".

**JOSE P. AQUINO**  
Director



## RULES ON QUASI-REORGANIZATION

**SECTION 1. RULES ON QUASI-REORGANIZATION.** - These rules shall apply to a proposed quasi-reorganization of a financially distressed listed company to improve its equity position by wiping out its existing deficit through any of the following modes:

- (a) The use of the appraisal surplus to eliminate the deficit; or
- (b) An amendment of the Articles of Incorporation to reduce the capital stock by way of a decrease in the outstanding shares or a reduction in par value, and applying the resulting reduction to wipe out the deficit.

These rules shall likewise apply to a proposed elimination of a deficit through the use of additional paid-in capital stock which is more appropriately referred to as equity restructuring.

**SECTION 2. TRADING HALT.** - The Exchange shall impose a trading halt on the shares of the Issuer for one (1) hour upon initial disclosure by a listed company of the approval by its Board of Directors or stockholders of the amendment of its Articles of Incorporation under Section 1 (b) of these rules. If the information is disseminated less than an hour prior to the close of the market, the trading halt shall be lifted on the subsequent trading day.

If the details of the disclosure mentioned above are found to be incomplete, the Exchange shall request for additional information. The company shall be given five (5) trading days to reply and to submit the additional information. Another one (1) hour trading halt shall be implemented upon receipt of the additional information required herewith.

**SECTION 3. TRADING SUSPENSION.** - Upon receipt from a listed company of the disclosure of approval by the SEC of the Amended Articles of Incorporation covering the company's quasi-reorganization, the Exchange shall suspend the trading of the company's securities for a maximum period of ten (10) trading days from the release by the Exchange of the circular on the SEC approval. Lifting of the said trading suspension shall be at 9:00 a.m. on the next trading day following the end of the trading suspension. Upon lifting of the trading suspension, the shares shall be traded based on the adjusted number of listed shares.

THE PHILIPPINE STOCK EXCHANGE, INC.

**VAL ANTONIO B. SUAREZ**  
President & CEO

**JOSELITO V. BANAAG**  
General Counsel and  
OIC, Issuer Regulation Division

SECURITIES AND EXCHANGE COMMISSION

**JOSE P. AQUINO**  
Director  
Market Regulation Department



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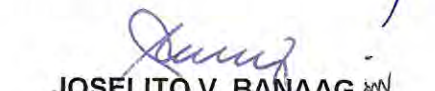
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THE PHILIPPINE STOCK EXCHANGE, INC.

  
**VAL ANTONIO B. SUAREZ**  
 President & CEO

  
**JOSELITO V. BANAAG**  
 General Counsel and  
 OIC, Issuer Regulation Division

SECURITIES AND EXCHANGE COMMISSION

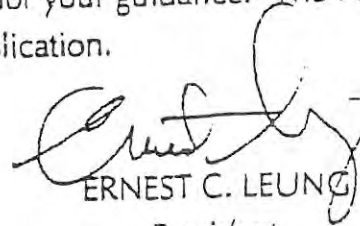
  
**JOSE P. AQUINO**  
 Director  
 Market Regulation Department



# PHILIPPINE STOCK EXCHANGE, INC.

## NOTICE TO ALL LISTED COMPANIES

Please be informed that the Securities and Exchange Commission has approved the Policy on Updating of Stock Certificates of The Philippine Stock Exchange, Inc. The same is printed below for your guidance. The Policy shall take effect five (5) trading days from date of publication.

  
ERNEST C. LEUNG  
President

## POLICY ON UPDATING OF STOCK CERTIFICATES

In order to promote orderliness in the trading of listed securities, the Exchange hereby adopts the policy regarding the updating of stock certificates, as follows:

1. Issuers whose shares are listed in the Exchange are required to ensure that *within three (3) months* after effecting a change in *name or any capital structure information* (e.g. number or value of shares represented by the stock certificates is increased or decreased as a result of an adjustment in the capitalization of the company, a stock split, a reverse stock split, declassification or reclassification of shares, or any similar event) such change is reflected in the subsequent issuance of new certificates arising from:
  - (a) settlement of an over-the-counter trade;
  - (b) an upliftment request by an investor having position in the PCD;
  - (c) a direct transfer request; or
  - (d) after other similar situations that would require the cancellation of old certificates and issuance of replacement thereof.



2. Companies which have already effected change(s) in name or capital structure information prior to effectivity of this policy, but are still issuing certificates bearing the old name or information, are given three (3) months from date of receipt of copy of this Policy within which to comply.

The Exchange shall suspend trading of securities of companies which fail to comply with this policy within the period provided until compliance thereof.

**IMPLEMENTING GUIDELINES ON ARTICLE XVI, SECTION 2, LETTER f OF  
THE LISTING AND DISCLOSURE RULES OF THE EXCHANGE**

**I. INTRODUCTION:**

According to Article XVI, Section 2, Letter f of the Listings and Disclosure Rules of the Exchange, a listed company may be considered for delisting if its ***stockholders' equity becomes negative***. Thus, listed companies suffering from this financial condition, as reflected in its latest audited financial statements, must comply with the guidelines as provided hereunder.

These guidelines shall be implemented for audited financial statements beginning year 2002 and for all subsequent audited financial statements.

**II. GUIDELINES:**

1. A listed company that had submitted its audited financial statements ***prior to the effectivity of this implementing guideline*** must:

- (a) Within sixty (60) working days from receipt of notice from the Exchange, submit a plan detailing the activities it will undertake, together with its corresponding timetable, to bring its stockholders' equity from negative to positive;

The plan shall include a list of advisers the listed company intends to engage, including financial advisers, legal counsels, auditors, and underwriters, and their relation with the listed company, if any.

The Exchange shall inform its Trading Participants and the investing public of the listed companies required to comply with these guidelines.

- (b) Within one (1) year after submission to the Exchange of its detailed plan, secure the requisite approvals from government agencies and/or its shareholders, an approval in-principle from

its creditors, and implement the remaining activities outlined in its plan.

2. A listed company which will submit its audited financial statements *after the effectivity of this implementing guideline*, must:

- (a) Within thirty (30) working days *from receipt of notice from the Exchange*, submit a plan detailing the activities it will undertake, together with its corresponding timetable, to bring its stockholders' equity from negative to positive;

The plan shall include a list of advisers the listed company intends to engage, including financial advisers, legal counsels, auditors, and underwriters, and their relation with the listed company, if any.

The Exchange shall inform its Trading Participants and the investing public of the list companies required to comply with these guidelines.

- (b) Within one (1) year after submission to the Exchange of its detailed plan, secure the requisite approvals, from government agencies and/or its shareholders, an approval in-principle from its creditors, and implement the remaining activities outlined in its plan.

3. The listed company must promptly disclose to the Exchange any amendments to its plan of activities as per item (a) of numbers 1 and 2 above.
4. The listed company must promptly disclose to the Exchange any approval it has obtained as per item (b) of numbers 1 and 2 above.
5. Any related party transaction entered into by the listed company in relation to its plan must be promptly disclosed to the Exchange. The disclosure should include, among others, the following:
- The date of the transaction;
  - The nature of the transaction and its essential elements;
  - The party(ies) to the transaction and its relationship, if any, to the major shareholders, directors or officers of the listed company;
  - The consideration for the transaction and its basis;
  - The rationale for entering into the transaction

IMPLEMENTING GUIDELINES ON  
ARTICLE XVI, SECTION 2, LETTER f OF THE  
LISTINGS AND DISCLOSURE RULES - SEPTEMBER 2003

Page 3 of 4

This is, however, without prejudice to any rules of the Exchange that are applicable to related party transactions.

6. The listed company that fails to comply with any of the conditions set forth in either Item number 1 or 2 above must submit to the Exchange a written explanation of its failure to comply with the said requirement. The Exchange shall then evaluate the merits of its explanation. Should it decide to accept the explanation, the Exchange has the discretion to grant an extension of the deadline. However, should the Exchange decide not to accept the explanation, it shall notify the listed company in writing, citing the reasons for its decision after which the Exchange shall implement the procedure for delisting as per Article XVI, Section 3 of the Listings and Disclosure Rules.

Trading Participants and the investing public shall be notified of the explanation given by the listed company, and the corresponding decision of the Exchange.

### III. EFFECTIVITY DATE:

This Implementing Guideline shall take effect fifteen days from circularization by the Exchange.

### THE PHILIPPINE STOCK EXCHANGE, INC.:

*(Original Signed)*

---

JOSE G. CERVANTES  
Senior Vice President  
OIC, Listings and Disclosure Group

*(Original Signed)*

---

ZAYBER JOHN B. PROTACIO  
General Counsel

IMPLEMENTING GUIDELINES ON  
ARTICLE XVI, SECTION 2, LETTER f OF THE  
LISTINGS AND DISCLOSURE RULES - SEPTEMBER 2003

Page 4 of 4

SECURITIES AND EXCHANGE COMMISSION:

*(Original Signed)*

---

JOSE P. AQUINO

Director

Market Regulation Department



# MEMO FOR BROKERS

## NO. 418-2007

### The Philippine Stock Exchange, Inc.

<input type="checkbox"/> Trading Rules	<input type="checkbox"/> Computer Systems Update
<input type="checkbox"/> Membership Rules	<input type="checkbox"/> Administrative Matters
<input type="checkbox"/> Listing Rules	<input checked="" type="checkbox"/> Others:

Date : **September 12, 2007**  
 Subject : **PUBLICATION OF CHANGE IN CORPORATE NAME**

Please be reminded that the Board of Directors of The Philippine Stock Exchange, Inc. approved, on August 9, 2006, a resolution requiring all listed companies to publish its new corporate name in a newspaper of general circulation once a week for two (2) consecutive weeks from date of approval by the Securities and Exchange Commission.

For your information and guidance.

*(Original Signed)*  
**ATTY. PETE M. MALABANAN**  
*Head, Disclosure Department*

**Noted by:**

*(Original Signed)*  
**ROY JOSEPH M. RAFOLS**  
*Head, Issuer Regulation Division*

Finance / Admin / Membership	Compliance & Surveillance Grp.	Listing & Disclosures Grp.	COO / Automated Trading Grp.	Business Dev't & Info. Group	CEO / Legal
Tel. No.688-7560/7440/7460	Tel. No. 688-7559	Tel. No. 688-7501/7510	Tel. No. 688-7405/819-4400	Tel. No. 688-7590	Tel. No. 688-7400/819-4408



# MEMORANDUM No.2008-0356

## The Philippine Stock Exchange, Inc.

<input type="checkbox"/> Trading Rules	<input type="checkbox"/> Computer Systems Update
<input type="checkbox"/> Membership Rules	<input type="checkbox"/> Administrative Matters
<input type="checkbox"/> Listing Rules	<input checked="" type="checkbox"/> Others: <b><u>Public Ownership Report</u></b>

To : **ALL LISTED COMPANIES**  
 Subject : **SUBMISSION OF QUARTERLY PUBLIC OWNERSHIP REPORT**  
 Date : **July 29, 2008**

Please be informed that all listed companies are hereby required to submit their computation of quarterly public ownership report (the "Report") using the Online Disclosure System (<https://odisy.pse.ph>) of the Exchange.

The Report must be submitted to the Exchange **within 15 trading days after the end of each quarter.**

The submission of this report shall take effect starting the quarter ending **September 30, 2008.**

Please refer to the attached required format for your information and guidance.

*(Original Signed)*  
**ROY JOSEPH M. RAFOLS**  
*COO/Head, Issuer Regulation Division*

FID/CSD	Market Regulation Division	Issuer Regulation Division	Information Technology Division	Capital Markets Dev't Division	Office of the General Counsel
Tel. No. 688-7561/688-7508	Tel. No. 688-7541	Tel. No. 688-7510	Tel. No. 688-7480	Tel. No. 688-7534	Tel. No. 688-7411

**SAMPLE****Notes:**

1. The Public Ownership Report should follow the format below.

2. Please include direct and indirect ownership of directors, officers, principal/substantial stockholders, and affiliates, if any, for record purposes. If in case, as in the example below, Stockholder 1 has indirect ownership through Stockholder 2, this indirect ownership should be reflected under the indirect ownership item of Stockholder 1. However, this indirect shareholdings shall no longer form part of the total shareholdings of Stockholder 1. The same indirect shareholdings shall form part of the total shareholdings of Stockholder 2.

3. For companies with classified shares, please make a distinction between A & B shares, and indicate the same under the columns provided below. Otherwise, simply indicate the no. of shares under the "Total" column.

**COMPANY, INC.**  
Computation of Public Ownership as of (mm/dd/yy)

		Number of Shares		
		A	B	Total
Number of Issued Shares		96,000	64,000	160,000
Less: Number of Treasury Shares (if any)		10,000	-	10,000
<b>Number of Issued and Outstanding Shares</b>		<b>86,000</b>	<b>64,000</b>	<b>150,000</b>
Less:				
	<b>% to total I/O Shares</b>	<b>A</b>	<b>B</b>	<b>Total</b>
<b>Directors*</b>				
Director 1				
Direct	0.0100 %	10	5	15
Indirect (thru _____)	- %	0	0	0
Director 2				
Direct	0.0100 %	10	5	15
Indirect (thru _____)	- %	0	0	0
Director 3				
Direct	0.0100 %	10	5	15
Indirect (thru _____)	- %	0	0	0
Director 4				
Direct	0.0100 %	10	5	15
Indirect (thru _____)	- %	0	0	0
Director 5				
Direct	0.0100 %	10	5	15
Indirect (thru _____)	- %	0	0	0
Director 6				
Direct	0.0100 %	10	5	15
Indirect (thru _____)	- %	0	0	0
Director 7				
Direct	0.0100 %	10	5	15
Indirect (thru _____)	- %	0	0	0
<b>Sub-total</b>	<b>0.0700 %</b>	<b>70</b>	<b>35</b>	<b>105</b>
<b>Officers*</b>				
Officer 1				
Direct	0.007 %	5	5	10
Indirect (thru _____)	0.000 %	0	0	0
Officer 2				
Direct	0.007 %	5	5	10
Indirect (thru _____)	0.000 %	0	0	0
Officer 3				
Direct	0.007 %	5	5	10
Indirect (thru _____)	0.000 %	0	0	0
Officer 4				
Direct	0.007 %	5	5	10
Indirect (thru _____)	0.000 %	0	0	0
Officer 5				
Direct	0.007 %	5	5	10
Indirect (thru _____)	0.000 %	0	0	0
<b>Sub-total</b>	<b>0.033 %</b>	<b>25</b>	<b>25</b>	<b>50</b>



<b>Principal/Substantial Stockholders*</b>				
Stockholder 1				
Direct	8.67 %	8,000	5,000	13,000
Indirect (thru Stockholder 2)	2.00 %	3,000	-	-
Stockholder 2				
Direct	10.00 %	10,000	5,000	15,000
Indirect (thru _____)	- %	-	-	-
Stockholder 3				
Direct	10.00 %	10,000	5,000	15,000
Indirect (thru _____)	- %	-	-	-
Stockholder 4				
Direct	10.00 %	9,000	6,000	15,000
Indirect (thru _____)	- %	-	-	-
<b>Sub-total</b>	<b>38.67 %</b>	<b>37,000</b>	<b>21,000</b>	<b>58,000</b>
<b>Affiliate*</b>				
Country Lines, Inc.	15.33 %	15,000	8,000	23,000
EES Company, Inc.	14.00 %	12,000	9,000	21,000
<b>Sub-total</b>	<b>29.33 %</b>	<b>27,000</b>	<b>17,000</b>	<b>44,000</b>
<b>Others*</b>				
<b>Government</b>				
Republic of the Philippines	- %	-	-	-
Philippine National Oil Corporation	- %	-	-	-
<b>Banks</b>				
Metropolitan Bank & Trust Company	- %	-	-	-
Bank of the Philippine Islands	- %	-	-	-
<b>Employees</b>				
ERS Pension Fund (i.e. Meralco Pension Fund)	- %	-	-	-
EES Retirement Fund (i.e. DMCI Retirement Plan)	- %	-	-	-
<b>Lock-Up Shares</b>				
<b>Sub-total</b>	<b>- %</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL</b>	<b>68.10 %</b>	<b>64,095</b>	<b>38,060</b>	<b>102,155</b>
<b>Total Number of Shares Owned by the Public</b>		<b>21,905</b>	<b>25,940</b>	<b>47,845</b>

<b>PUBLIC OWNERSHIP PERCENTAGE</b>		
<b>Total Number of Shares Owned by the Public</b>		
<u>47,845</u> shares		<u>31.90%</u>
150,000 shares		
Number of Issued and Outstanding Shares	=	<input type="text"/>
Number of Outstanding Shares	=	<input type="text"/>
Number of Treasury Shares	=	<input type="text"/>
Number of Listed Shares	=	<input type="text"/>
Number of Foreign-Owned Shares	=	<input type="text"/>
Foreign Ownership Level (%)	=	<input type="text"/>
Foreign Ownership Limit (%)	=	<input type="text"/>
<b>Note: Please observe the same cut-off date.</b>		

\* See Annex A for Guidelines and Definitions

**ANNEX A*****GUIDELINES IN DETERMINING THE PUBLIC OWNERSHIP OF LISTED COMPANIES***

The categorization of shareholdings into public and non-public shall be guided by the evaluation of the following:

- a. Amount of shareholding and its significance to the total outstanding shares
- b. Purpose of investment
- c. Extent of involvement in the management of the company

***Non-Public***

If investment is meant to partake of sizable shares for the purpose of gaining substantial influence on how the company is being managed, then these shareholdings are considered non-public.

*Significant holding is 10% or more of the total issued and outstanding shares, in which case, these shares are non-public.*

**Public**

Generally, shares of the following are available for trading:

- a. Individuals – shares which are not of significant size and which are non-strategic in nature
- b. Trading Participants – shareholdings which are non-strategic in nature
- c. Investment funds and mutual funds
- d. Pension Funds – shares in employee pension funds which are not of the employing company, or its affiliates
- e. PCD Nominee – if this account constitutes a number of shareholders, none of which has significant holdings, this is considered public shares. However, if one shareowner under PCD Nominee has shareholding that is 10% or more of the total issued and outstanding shares, then, this particular shareowner should be included under Principal Stockholder.
- f. Social Security Funds

**DEFINITIONS****Directors**

Under the Corporation Code, a director is anyone owning at least (1) share of the capital stock of the corporation of which he is a director and is elected as such in a meeting where owners of the majority of the outstanding capital stock are present, either in person or by representatives authorized to act by written proxy.

The Amended Implementing Rules and Regulations of the Securities Regulation Code (IRR), under Rule 38, further defines an “independent director” as follows:

“As used in Section 38 of the Code, independent director means a person who, apart from his fees and shareholdings, is independent of management and free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with his exercise of judgment in carrying out his responsibilities as a director in any covered company and includes, among others, any person who:

- A. Is not a director or officer of the covered company or of its related companies or any of its substantial shareholders except when the same shall be an independent director of any of the foregoing;
- B. Does not own more than two percent (2%) of the shares of the covered company and/or its related companies or any of its substantial shareholders;
- C. Is not related to any director, officer or substantial shareholder of the covered company, any of its related companies or any of its substantial shareholders. For this purpose, relatives includes spouse, parent, child, brother, sister, and the spouse of such child, brother, or sister;

- D. Is not acting as a nominee or representative of any director or substantial shareholder of the covered company, and/or any of its related companies and/or any of its substantial shareholders, pursuant to a Deed of Trust or under any contract or arrangement;
- E. Has not been employed in any executive capacity by the covered company, any of its related companies and/or by any of its substantial shareholders within the last two (2) years;
- F. Is not retained, either personally or through his firm or any similar entity, as a professional adviser, by that covered company, any of its related companies and/or by any of its substantial shareholders within the last two (2) years; or
- G. Has not engaged and does not engage in any transaction with the covered company and/or with any of its related companies and/or with any of its substantial shareholders, whether by himself and/or with other persons and/or through a firm of which he is a partner and/or a company of which he is a director or substantial shareholder, other than transactions which are conducted at arms length and are immaterial

### **Officers**

Under the Corporation Code, the President, Secretary and Treasurer are specifically mentioned as officers of a corporation. The Board of Directors of a corporation may elect such other officers as may be provided for in the corporation's by-laws.

### **Principal/Substantial stockholders**

IRR Rule 23 defines a principal stockholder as any person who is directly or indirectly the beneficial owner of 10% or more of any class of any security of a company which satisfies the requirements of Subsection 17.2 of the SRC Code.

### **Affiliate**

Under the Revised Listing Rules of the Exchange, an affiliate means a person who directly or indirectly, through one or more intermediaries, controls or is controlled by, or is under common control with the person specified, through the ownership of voting shares or other means such as contractual agreements.

### **Others (Non-Public Shares)**

Shareholdings of the following are considered non-public shares under the circumstances provided therein:

**Government** – Government-run social security funds, SSS and GSIS, are considered non-public shares if acquisition of such shareholdings are made with the intention of acquiring significant influence over the management of that company; otherwise, they are public shares.

**Banks** -- Shareholdings by banks are generally considered non-public, except those shares held in trust on behalf of third parties, which are readily available to the public.

**Employees** -- Shares of a company, its subsidiaries and affiliates, which are held by its employees through employee-sponsored plans for the following purposes are considered non-public:

- a. Retirement
- b. Savings Plans
- c. Incentive Compensation Programs
- d. Employee Pension Funds

**Lock-Up Shareholdings** – Shares that are locked-up are non-public. Upon the termination of the lock-up period, these shares shall be classified as public or non-public based on the nature of the shareholder.



# MEMORANDUM

**DA - No. 2012-0175**

## The Philippine Stock Exchange, Inc.

<input type="checkbox"/> Trading Rules	<input type="checkbox"/> Computer Systems Update
<input type="checkbox"/> Membership Rules	<input type="checkbox"/> Administrative Matters
<input type="checkbox"/> Listing Rules	<input checked="" type="checkbox"/> Others: <b><u>Public Ownership Reports</u></b>

**TO :** THE INVESTING PUBLIC AND TRADING PARTICIPANTS

**DATE :** JULY 30, 2012

**SUBJECT :** PUBLIC OWNERSHIP REPORTS OF LISTED COMPANIES

This is with reference to the Amended Rule on Minimum Public Ownership (the "Amended MPO Rule") of the Exchange as announced in Memorandum CN-No. 2012-0003 dated January 3, 2012. Under the Amended MPO Rule, listed companies shall disclose within 15 calendar days after the end of each quarter a public ownership report ("POR").


In this connection, the Securities and Exchange Commission ("SEC") directed the Exchange to post on the PSE website the public ownership level of listed companies as of June 30, 2012 and subsequent quarterly PORs of listed companies.

In compliance with the directive of the SEC, the list containing the public ownership or free float level of listed companies is attached as Annex "A". The free float levels stated in the list are as of end-June 2012 and are based on PORs of listed companies submitted as of July 16, 2012. *No submission* status refers to companies that have not submitted their POR as of July 25, 2012. *Delayed submission* status refers to companies that submitted their PORs after July 16, 2012 (Per DA-No. 2012-0002 Revised Deadlines for Submission of Structured Reportorial Requirements) but prior to July 25, 2012.

The data in Annex "A" are based on the submissions of listed companies. As such, the PSE makes no representation on the accuracy, validity, correctness and completeness of the information stated in the attached document. The PSE shall use the information contained in the POR submitted by the company in computing a company's weight in the index and this may be updated or adjusted consistent with the policy of the Exchange in managing the PSEi and sector indices.

For your information.

  
**ROEL A. REFRAN**  
 Chief Operating Officer

					
Controllership/Admin Tel. No. 688-7561/7447	Market Operations/Technology Tel. No. 819-4430/688-7480	Issuer Regulation Tel. No. 688-7510	Investor Relations Tel. No. 688-7601/819-4400	Capital Markets & Development Tel. No. 688-7590	CEO / COO / OGC Tel. No. 688-7401/7411/7413

NAME OF STOCK	STOCK CODE	FLOAT LEVEL AS REPORTED IN COMPANY PUBLIC OWNERSHIP REPORT (IN %)	STATUS OF SUBMISSION
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**FINANCIALS****Banks**

ALLIED BANKING CORPORATION	ABC	1.51	
ASIATRUST DEVELOPMENT BANK, INC.	ASIA	32.38	Delayed submission
BDO UNIBANK, INC.	BDO	27.79	
BANK OF THE PHILIPPINE ISLANDS	BPI	46.84	
CHINA BANKING CORPORATION	CHIB	57.97	
CITYSTATE SAVINGS BANK, INC.	CSB	28.02	
EXPORT AND INDUSTRY BANK, INC.	EIBA	NA	No submission
EAST WEST BANKING CORPORATION	EW	24.13	
METROPOLITAN BANK & TRUST COMPANY	MBT	48.71	
PHILIPPINE BANK OF COMMUNICATIONS	PBC	18.26	
PHILIPPINE NATIONAL BANK	PNB	32.80	
PHILIPPINE SAVINGS BANK	PSB	22.77	
PHILIPPINE TRUST COMPANY	PTC	13.94	
RIZAL COMM'L BANKING CORPORATION	RCB	34.52	
SECURITY BANK CORPORATION	SECB	74.06	
UNION BANK OF THE PHILIPPINES	UBP	36.67	

**Financial Services**

BANKARD, INC.	BKD	10.00	
BDO LEASING & FINANCE, INC.	BLFI	14.90	
COL FINANCIAL GROUP, INC.	COL	45.25	
FIRST ABACUS FINANCIAL HOLDINGS CORP.	FAF	81.06	
FILIPINO FUND, INC.	FFI	28.76	
FIRST METRO INVESTMENT CORPORATION	FMIC	1.94	
I-REMIT, INC.	I	26.20	
MAYBANK ATR KIMENG FINANCIAL CORPORATION	MAKE	0.89	
MEDCO HOLDINGS, INC.	MED	47.14	
NATIONAL REINSURANCE CORPORATION OF THE PHILIPPINES	NRCP	47.67	
THE PHILIPPINE STOCK EXCHANGE, INC.	PSE	89.62	
VANTAGE EQUITIES	V	55.32	

**INDUSTRIAL****Electricity, Energy, Power & Water**

ALSONS CONSOLIDATED RESOURCES, INC.	ACR	20.02	
ABOITIZ POWER CORPORATION	AP	22.00	
ENERGY DEVELOPMENT (EDC) CORP.	EDC	50.68	
FIRST GEN CORPORATION	FGEN	32.31	
FIRST PHILIPPINE HOLDINGS CORPORATION	FPH	47.46	
CALAPAN VENTURES, INC.	H2O	44.32	
MANILA ELECTRIC COMPANY	MER	15.99	
MANILA WATER COMPANY INC.	MWC	65.59	
PETRON CORPORATION	PCOR	14.68	
PHOENIX PETROLEUM	PNX	27.90	
SPC POWER CORPORATION	SPC	4.53	Delayed submission
TRANS-ASIA OIL & ENERGY DEVELOPMENT CORP.	TA	41.12	
VIVANT CORPORATION	VVT	4.18	

NAME OF STOCK	STOCK CODE	FLOAT LEVEL AS REPORTED IN COMPANY PUBLIC OWNERSHIP REPORT (IN %)	STATUS OF SUBMISSION
<b>Food, Beverage, &amp; Tobacco</b>			
ALASKA MILK CORPORATION	AMC	2.28	
AGRINURTURE, Inc.	ANI	27.62	
BOGO MEDELLIN MILLING COMPANY	BMM	40.54	
CENTRAL AZUCARERA DE TARLAC	CAT	51.48	
COSMOS BOTTLING CORPORATION	CBC	1.79	
ALLIANCE SELECT FOODS, INC.	FOOD	87.21	
GINEBRA SAN MIGUEL, INC.	GSMI	24.84	
JOLLIBEE FOODS CORPORATION	JFC	39.60	
LIBERTY FLOUR MILLS, INC.	LFM	49.97	
PANCAKE HOUSE, INC.	PCKH	44.14	
SAN MIGUEL PURE FOODS COMPANY, INC.	PF	0.08	
PEPSI COLA PRODUCTS PHILIPPINES, INC.	PIP	36.11	
ROXAS & COMPANY, INC.	RCI	28.35	
RFM CORPORATION	RFM	51.37	
ROXAS HOLDINGS, INC.	ROX	20.15	
SAN MIGUEL BREWERY, INC.	SMB	0.61	
SAN MIGUEL CORPORATION	SMC	45.00	
SWIFT FOODS, INC.	SFI	99.68	
TANDUAY HOLDINGS, INC.	TDY	12.63	
UNIVERSAL ROBINA CORPORATION	URC	38.71	
VITARICH CORPORATION	VITA	46.43	
VICTORIAS MILLING COMPANY, INC.	VMC	56.60	
<b>Construction, Infrastructure, &amp; Allied Services</b>			
ASIABEST GROUP INTERNATIONAL, INC.	ABG	29.32	
CONCRETE AGGREGATES CORPORATION	CA	23.51	
SOUTHEAST ASIA CEMENT HOLDINGS, INC.	CMT	16.49	
EEI CORPORATION	EEI	44.66	
FEDERAL RESOURCES INVESTMENT GROUP, INC.	FED	86.16	
HOLCIM PHILIPPINES, INC.	HLCM	14.56	
LAFARGE REPUBLIC, INC.	LRI	3.67	
MARIWASA SIAM HOLDINGS, INC.	MMI	9.54	
MEGAWIDE CONSTRUCTION CORPORATION	MWIDE	21.27	
PHINMA CORPORATION	PHN	42.08	
PHILIPPINE NATIONAL CONSTRUCTION CORP.	PNC	13.13	
SUPERCITY REALTY DEVELOPMENT CORPORATION	SRDC	48.89	
TKC STEEL CORPORATION	T	29.04	
VULCAN INDUSTRIAL & MINING CORPORATION	VUL	74.21	

NAME OF STOCK	STOCK CODE	FLOAT LEVEL AS REPORTED IN COMPANY PUBLIC OWNERSHIP REPORT (IN %)	STATUS OF SUBMISSION
<b>Chemicals</b>			
CHEMICAL INDUSTRIES OF THE PHILIPPINES	CIP	29.42	
CHEMREZ TECHNOLOGIES, INC.	COAT	36.50	
EURO-MED LABORATORIES PHILS., INC.	EURO	12.77	
LMG CHEMICALS CORPORATION	LMG	34.08	
METRO ALLIANCE HOLDINGS & EQUITIES CORP.	MAH	24.07	
MANCHESTER INTERNATIONAL HOLDINGS UNLIMITED	MIH	6.79	Delayed submission
MABUHAY VINYL CORPORATION	MVC	60.04	
PRYCE CORPORATION	PPC	70.01	
<b>Electrical Components &amp; Equipment</b>			
CIRTEK HOLDINGS PHILIPPINES CORPORATION	CHIPS	27.85	
GREENERGY HOLDINGS INCORPORATED	GREEN	69.01	
INTEGRATED MICRO-ELECTRONICS, INC.	IMI	9.72	
IONICS, INC.	ION	35.48	
PANASONIC MANUFACTURING PHILIPPINES CORPORATION	PMPC	15.76	
<b>Other Industrials</b>			
ALPHALAND CORPORATION	ALPHA	8.03	
FILSYN CORPORATION	FYN	37.27	
PICOP RESOURCES, INC.	PCP	49.84	
SPLASH CORPORATION	SPH	32.85	
STENIEL MANUFACTURING CORPORATION	STN	15.53	



NAME OF STOCK	STOCK CODE	FLOAT LEVEL AS REPORTED IN COMPANY PUBLIC OWNERSHIP REPORT (IN %)	STATUS OF SUBMISSION
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**HOLDING FIRMS**

ASIA AMALGAMATED HOLDINGS CORPORATION	AAA	46.86
ABACUS CONS. RESOURCES & HOLDINGS, INC.	ABA	35.77
AYALA CORPORATION	AC	35.80
ABOITIZ EQUITY VENTURES, INC.	AEV	44.00
ALLIANCE GLOBAL GROUP, INC.	AGI	42.79
A. SORIANO CORPORATION	ANS	19.54
ALCORN GOLD RESOURCES CORPORATION	APM	40.00
ANGLO PHILIPPINE HOLDINGS CORPORATION	APO	38.28
ATN HOLDINGS, INC.	ATN	22.80
BHI HOLDINGS, INC.	BH	10.02
LOPEZ HOLDINGS CORPORATION	LPZ	47.12
DMCI HOLDINGS, INC.	DMC	27.92
FIL-ESTATE CORPORATION	FC	23.70
FILINVEST DEVELOPMENT CORPORATION	FDC	3.38
F & J PRINCE HOLDINGS CORPORATION "A"	FJP	43.70
F & J PRINCE HOLDINGS CORPORATION "B"	FJPB	6.26
FORUM PACIFIC, INC.	FPI	52.21
GT CAPITAL HOLDINGS, INC.	GTCAP	29.68
HOUSE OF INVESTMENTS, INC.	HI	42.92
JG SUMMIT HOLDINGS, INC.	JGS	29.79
JOLLIVILLE HOLDINGS CORPORATION	JOH	34.07
KEPPEL PHILIPPINES HOLDINGS, INC.	KPH	22.66
LODESTAR INVESTMENT HOLDINGS CORPORATION	LIHC	88.44
MARCVENTURES HOLDINGS, INC.	MARC	35.25
MABUHAY HOLDINGS CORPORATION	MHC	35.02
MINERALES INDUSTRIAS CORPORATION	MIC	93.21
MJC INVESTMENTS CORPORATION	MJIC	53.29
METRO PACIFIC INVESTMENTS CORP.	MPI	40.82
PACIFICA, INC.	PA	31.06
PRIME ORION PHILIPPINES, INC.	POPI	67.33
PRIME MEDIA HOLDINGS, INC.	PRIM	19.66
REPUBLIC GLASS HOLDINGS CORPORATION	REG	24.33
SOLID GROUP, INC.	SGI	22.63
SYNERGY GRID & DEVELOPMENT PHILS., INC.	SGP	7.44
SINOPHIL CORPORATION	SINO	42.04
SM INVESTMENTS CORPORATION	SM	41.40
SOUTH CHINA RESOURCES, INC.	SOC	23.98
SEAFRONT RESOURCES CORPORATION	SPM	80.13
UNIOIL RESOURCES & HOLDINGS COMPANY, INC.	UNI	40.62
WELLEX INDUSTRIES, INC.	WIN	15.62
ZEUS HOLDINGS, INC.	ZHI	43.32

NAME OF STOCK	STOCK CODE	FLOAT LEVEL AS REPORTED IN COMPANY PUBLIC OWNERSHIP REPORT (IN %)	STATUS OF SUBMISSION
<b>PROPERTY</b>			
ARTHALAND CORPORATION	ALCO	37.88	
AYALA LAND, INC.	ALI	46.07	
ANCHOR LAND HOLDINGS, INC.	ALHI	14.30	
ARANETA PROPERTIES	ARA	31.91	
BELLE CORPORATION	BEL	45.67	Delayed submission
A BROWN COMPANY, INC.	BRN	35.31	
CITYLAND DEVELOPMENT CORPORATION	CDC	24.60	
CROWN EQUITIES, INC.	CEI	71.00	
CEBU HOLDINGS, INC.	CHI	41.21	
CENTURY PROPERTIES GROUP INC.	CPG	27.30	
CEBU PROPERTY VENTURES & DEV'T CORP.	CPV	15.95	
CYBER BAY CORPORATION	CYBR	39.00	
EMPIRE EAST LAND HOLDINGS, INC.	ELI	26.69	
ETON PROPERTIES PHILIPPINES, INC.	ETON	5.65	
EVER GOTESCO RESOURCES & HOLDINGS, INC.	EVER	35.15	
FILINVEST LAND, INC.	FLI	38.82	
GLOBAL-ESTATE RESORTS, INC.	GERI	23.55	
GOTESCO LAND, INC.	GO	70.67	
HIGHLANDS PRIME, INC.	HP	10.14	
IRC PROPERTIES, INC.	IRC	31.19	
KEPPEL PHILIPPINES PROPERTIES, INC.	KEP	19.46	
CITY & LAND DEVELOPERS, INC.	LAND	14.99	
MARSTEEL CONSOLIDATED, INC.	MC	21.42	
MEGAWORLD CORPORATION	MEG	38.37	
MRC ALLIED, INC.	MRC	87.02	
PHILIPPINE ESTATES CORPORATION	PHES	10.99	
PRIMETOWN PROPERTY GROUP, INC.	PMT	20.76	
PRIMEX CORPORATION	PRMX	23.20	
ROBINSONS LAND CORPORATION	RLC	38.59	
PHILIPPINE REALTY & HOLDINGS CORPORATION	RLT	64.00	
ROCKWELL LAND CORPORATION	ROCK	13.10	
SHANG PROPERTIES, INC.	SHNG	54.31	
STA. LUCIA LAND, INC.	SLI	9.95	
SM DEVELOPMENT CORPORATION	SMDC	15.35	
SAN MIGUEL PROPERTIES, INC.	SMP	0.06	
SM PRIME HOLDINGS, INC.	SMPH	30.50	
STARMALLS, INC.	STR	13.01	
SUNTRUST HOME DEVELOPERS, INC.	SUN	47.07	
PHILIPPINE TOBACCO FLUE-CURING & REDRYING CO	TFC	50.44	
UNIWIDE HOLDINGS, INC.	UW	75.75	
VISTA LAND & LIFESCAPES, INC	VLL	31.63	

NAME OF STOCK	STOCK CODE	FLOAT LEVEL AS REPORTED IN COMPANY PUBLIC OWNERSHIP REPORT (IN %)	STATUS OF SUBMISSION
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**SERVICES****Media**

ABS-CBN BROADCASTING CORPORATION	ABS	41.35
GMA NETWORK, INC.	GMA7	25.68
MANILA BULLETIN PUBLISHING CORP.	MB	21.48
MANILA BROADCASTING COMPANY	MBC	10.19

**Telecommunications**

GLOBE TELECOM, INC.	GLO	22.10
LIBERTY TELECOMS HOLDINGS, INC.	LIB	17.25
PHILIPPINE TELEGRAPH & TELEPHONE CORP.	PTT	29.97
PHILIPPINE LONG DISTANCE TEL. CO. "Common"	TEL	53.89

**Information Technology**

IP CONVERGE DATA CENTER, INC.	CLOUD	26.07
DFNN, INC.	DFNN	77.27
IMPERIAL RESOURCES, INC.	IMP	15.59
IPVG CORPORATION	IP	66.21
ISLAND INFORMATION AND TECHNOLOGY, INC.	IS	83.41
ISM COMMUNICATIONS CORPORATION	ISM	21.08
NEXTSTAGE, INC.	NXT	NA
TRANSPACIFIC BROADBAND GROUP INTERNATIONAL	TBGI	80.84
TOUCH SOLUTIONS, INC.	TSI	39.98
PHILWEB CORPORATION	WEB	22.41

No submission

Delayed submission

**Transportation Services**

2GO GROUP, INC.	2GO	2.03
ASIAN TERMINALS, INC.	ATI	65.81
CEBU AIR, INC.	CEB	32.76
INT'L CONTAINER TERMINAL SERVICES, INC.	ICT	49.08
LORENZO SHIPPING CORPORATION	LSC	15.29
MACROASIA CORPORATION	MAC	25.51
PAL HOLDINGS, INC.	PAL	2.30
METRO PACIFIC TOLLWAYS CORPORATION	TOL	0.15

**Hotel & Leisure**

ACESITE (PHILS.) HOTEL CORPORATION	ACE	39.39
BOULEVARD HOLDINGS, INC.	BHI	42.73
GRAND PLAZA HOTEL CORPORATION	GPH	13.55
WATERFRONT PHILIPPINES, INC.	WPI	52.04

**Education**

CENTRO ESCOLAR UNIVERSITY	CEU	26.75
FAR EASTERN UNIVERSITY, INC.	FEU	34.92
IPEOPLE, INC.	IPO	20.33

NAME OF STOCK	STOCK CODE	FLOAT LEVEL AS REPORTED IN COMPANY PUBLIC OWNERSHIP REPORT (IN %)	STATUS OF SUBMISSION
<b>Casinos &amp; Gaming</b>			
BERJAYA PHILIPPINES, INC.	BCOR	12.11	
BLOOMBERRY RESORTS CORPORATION	BLOOM	12.44	
IP E-GAME VENTURES, INC.	EG	24.86	
PACIFIC ONLINE SYSTEMS CORP.	LOTO	64.22	
LEISURE & RESORTS WORLD CORPORATION	LR	61.02	
MANILA JOCKEY CLUB, INC.	MJC	80.45	
PREMIERE HORIZON ALLIANCE CORPORATION	PHA	73.00	
PHILIPPINE RACING CLUB, INC.	PRC	99.43	
<b>Retail</b>			
CALATA CORPORATION	CAL	39.51	
PUREGOLD PRICE CLUB, INC.	PGOLD	33.00	
PHILIPPINE SEVEN CORPORATION	SEVN	26.00	
<b>Other Services</b>			
APC GROUP, INC.	APC	51.19	
EASYCALL COMMUNICATIONS PHILIPPINES, INC.	ECP	10.06	
INFORMATION CAPITAL TECHNOLOGY VENTURES, INC.	ICTV	21.06	
JTH DAVIES HOLDINGS, INC.	JTH	8.78	
PAXYS CORPORATION	PAX	26.04	
PHILCOMSAT HOLDINGS CORPORATION	PHC	NA	No submission
GLOBALPORT 900, INC.	PORT	0.12	
<b>MINING &amp; OIL</b>			
<b>Mining</b>			
ATOK-BIG WEDGE COMPANY, INC.	AB	4.16	
APEX MINING COMPANY, INC.	APX	19.08	
ABRA MINING & INDUSTRIAL CORPORATION	AR	43.07	
ATLAS CONSOLIDATED MINING & DEV'T CORP.	AT	43.23	
BENGUET CORPORATION	BC	55.57	
CENTURY PEAK METAL HOLDINGS CORPORATION	CPM	39.50	
DIZON COPPER SILVER MINES, INC.	DIZ	99.93	
GEOGRACE RESOURCES PHILIPPINES, INC.	GEO	82.38	
LEPANTO CONSOLIDATED MINING COMPANY	LC	83.66	
MANILA MINING CORPORATION	MA	78.33	
NIHao MINERAL RESOURCES	NI	66.87	
NICKEL ASIA CORPORATION	NIKL	22.79	
OMICO CORPORATION	OM	95.91	
ORIENTAL PENINSULA RESOURCES GROUP, INC.	ORE	32.51	
PHILEX MINING CORPORATION	PX	32.45	
SEMIRARA MINING CORPORATION "Common"	SCC	27.53	
UNITED PARAGON MINING CORPORATION	UPM	16.40	

NAME OF STOCK	STOCK CODE	FLOAT LEVEL AS REPORTED IN COMPANY PUBLIC OWNERSHIP REPORT (IN %)	STATUS OF SUBMISSION
<b>Oil</b>			
BASIC ENERGY CORPORATION	BSC	90.40	
ORIENTAL PETROLEUM & MINERAL CORP.	OPM	62.76	
THE PHILODRILL CORPORATION	OV	49.26	
PNOC EXPLORATION CORPORATION	PEC	0.21	
PETROENERGY RESOURCES CORPORATION	PERC	74.00	
PHILEX PETROLEUM CORPORATION	PXP	18.37	
<b>SMALL AND MEDIUM ENTERPRISES</b>			
MAKATI FINANCE CORPORATION	MFIN	10.02	
IRIPPLE, INC.	RPL	29.00	

No submission status refers to companies that have not submitted their public ownership report (POR) as of July 25, 2012

Delayed submission status refers to companies that submitted their PORs after July 16, 2012 (Per DA-No. 2012-0002 Revised Deadlines for Submission of Structured Reportorial Requirements) but prior to July 25, 2012

The free float levels are as of end-June 2012 and are based on public ownership reports of listed companies submitted as of July 25, 2012. The PSE makes no representation on the accuracy, validity, correctness and completeness of the information stated in this document. The PSE shall use these free float levels as guide in establishing the free float levels in computing a company's weight in the index and may be updated or adjusted consistent with the policy of the Exchange in managing the PSEi and sector indices.



# MEMO FOR BROKERS

The Philippine Stock Exchange, Inc.

Disclosures	Stockholders' Meeting	Others:	Guidelines for Listed Companies
_____ Dividend Notice	_____ SEC / Gov't Issuance	_____	_____
_____ Stock Rights Notice	_____ Transfer Agent's Notice	_____	_____

Date : **November 5, 2007**  
 Subject : **CORPORATE GOVERNANCE GUIDELINES FOR LISTED COMPANIES**

In line with the Code of Corporate Governance implemented and enforced by the Securities and Exchange Commission ("SEC"), as well as the actions of the Exchange to actively promote corporate governance reforms aimed to raise investor confidence and develop the Philippine capital market, all listed companies are mandated to comply with the following basic guidelines:

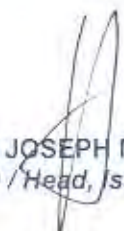
1. Listed companies shall create or maintain their respective active websites wherein the disclosures, including corporate governance reports, submitted to the SEC and to the Exchange are uploaded for easy access and reference by the investing public;
2. Listed companies shall include in their respective annual reports the details of their respective compliance with the Code of Corporate Governance, relevant activities undertaken to uphold the corporate governance standards and any deviation from the Code of Corporate Governance with detailed explanations for such deviations; and
3. Listed companies shall report to the Exchange any change in their corporate governance structure and practices with detailed explanations occurring during the year.

The Exchange shall devote a portion of its Annual Report on compliance by the listed companies with the foregoing guidelines.

**This Corporate Governance Guidelines for Listed Companies shall take effect immediately.**

In relation thereto, the Management Association of the Philippines (MAP), in coordination with the Exchange, has institutionalized the **Best Annual Report (BAR) Awards** to encourage the observance of the principles of good governance (transparency, accountability and fairness). Hence, as previously advised, the annual reports of all listed companies are automatically included in the BAR Awards. Guidelines on the BAR Awards for the 2007 Annual Reports shall be released as soon as it becomes available.

For the information and strict compliance by all listed companies,

  
**ROY JOSEPH M. RAFOLS**  
 COO / Head, Issuer Regulation Division

Finance/Corporate Services	Market Regulatory Division	Issuer Regulation Division	Information Technology Division	Capital Markets Dev't Division	CEO / OGC
Tel. No. 688-7550/7440/7460	Tel. No. 688-7559	Tel. No. 688-7501/7510	Tel. No. 688-7405/819-4400	Tel. No. 688-7590	Tel. No. 688-7400/819-4408



# MEMORANDUM No.2010-0574

## The Philippine Stock Exchange, Inc.

<input type="checkbox"/> Trading Rules	<input type="checkbox"/> Computer Systems Update
<input type="checkbox"/> Membership Rules	<input type="checkbox"/> Administrative Matters
<input type="checkbox"/> Listing Rules	<input checked="" type="checkbox"/> Others: <b><u>Corporate Governance Guidelines</u></b>

To : **ALL LISTED COMPANIES**

Subject : **CORPORATE GOVERNANCE GUIDELINES**

Date : **November 26, 2010**

The Exchange is pleased to present the Corporate Governance Guidebook, "The Corporate Governance Guidelines for Companies Listed on the Philippine Stock Exchange" and the disclosure template as a mechanism to guide companies in their operations and for shareholders to be informed of the good governance practices of the companies they are invested in.

The disclosure should be submitted annually starting 30 January 2011. It will be implemented under a "comply or explain" regime wherein listed companies are encouraged to comply with the guidelines or else they need to explain any variation or alternative they have chosen to adopt.

For full explanation, please see attached Corporate Governance Guidebook and disclosure template.

For your information and guidance.

***(Original Signed)***  
**FLOR L. OFILADA**  
 Strategy Management Officer  
 Corporate Governance Office

FID/CSD	Market Regulation Division	Issuer Regulation Division	Information Technology Division	Capital Markets Dev't Division	Office of the General Counsel
Tel. No. 688-7561/688-7508	Tel. No. 688-7541	Tel. No. 688-7510	Tel. No. 688-7480	Tel. No. 688-7534	Tel. No. 688-7411



**THE CORPORATE  
GOVERNANCE GUIDELINES  
FOR COMPANIES LISTED  
ON THE PHILIPPINE  
STOCK EXCHANGE**



## WHAT IS CORPORATE GOVERNANCE?

The Philippine Stock Exchange, Inc. (PSE) defines corporate governance (CG) as the framework of rules, systems and processes that governs the performance by the Board of Directors and Management of their respective duties and responsibilities to the stockholders, with due regard to the stakeholders.

Specifically, corporate governance is a system of directing and managing a corporation which involves the development and achievement of corporate goals; the function of the board and its relationship with management; control, risk and performance management systems; compliance with laws and best practices; and corporate self-restraint and ethics, among others.

It is also a means for sustained value creation as it should ultimately create long-term value for the corporation's shareholders while taking into consideration the rights and interests of its stakeholders.

## BENEFITS OF CORPORATE GOVERNANCE

Good corporate governance has been widely recognized by corporations, investors, regulators, and other interest groups as contributing to corporate efficiencies which positively impacts on profitability and eventually, growth.

The World Bank's Global Corporate Governance Forum, citing various studies, has summarized the benefits of sound corporate governance as follows :

- a. **Improves a firm's access to external financing.** This may lead to larger investments, and in turn, higher growth and job creation. Countries that strongly protect property, shareholder, and creditor rights have more-developed financial and capital markets.
- b. **Lowers the cost of capital and raises the value of the firm.** Cost of capital is higher and the valuation of a firm is lower in countries where CG is weak. Capital providers tend

to charge a premium if there is a higher perception of risk. Conversely, good CG should lead to better operational performance through better management, better allocation of resources, and higher efficiencies.

- c. **Enhances relationships with stakeholders. Improved labor and community relations** as well as environment protection programs minimizes risks and ensures business continuity.

- d. **Reduces risk of financial crises.** Facilitates proper functioning of the financial markets thereby preventing or controlling financial volatility.

From a broader perspective, good governance, as characterized by high standards of transparency, adequate investor protection, and strong enforcement, is likewise seen to promote growth and development in the capital market and consequently, the national economy.



## CORPORATE GOVERNANCE IN THE PHILIPPINES

Since the 1997 Asian Financial Crisis, a number of key initiatives have been undertaken to improve governance practices in the Philippines. Through the active partnership of key regulators such as the Securities and Exchange Commission (SEC), the Bangko Sentral ng Pilipinas (BSP), and the Insurance Commission (IC) with governance advocacy groups like the Institute of Corporate Directors (ICD) and leading academic institutions, corporate directors and senior executives were mandated to take corporate governance orientation programs to increase their awareness on the subject matter. Corporate governance manuals, scorecards, and the creation of board audit and governance committees, have likewise been required of select corporations to facilitate and measure progress of governance practices at the enterprise level. Laws were passed and various regulations were issued to help create a legal and regulatory environment that is conducive and supportive of corporate governance practices that are in line with international standards.

As a result of the sustained corporate governance interventions in the past years, significant improvements have been observed in many corporate organizations. A recent econometric study on corporate governance in the Philippines indicated that corporate governance practices in listed companies have improved over a four year period (2005-2008). More importantly, the study showed a positive relation between the companies' CG scores and their firm valuations, thereby strengthening the case for a growing number of companies to further improve their governance practices.

Despite the impressive improvements in the past years, the Philippines continues to be weighed down by its governance challenges. As such, significant efforts would need to be undertaken to further strengthen the country's corporate governance system; to remain competitive with the rest of the region; and to improve investor confidence in the market. In this regard, strategic and effective programs on improving the transparency, investor protection and strict enforcement of rules, would need to be intensified.

## CORPORATE GOVERNANCE AND THE PHILIPPINE STOCK EXCHANGE

The PSE, recognizing its strategic role in the Philippine economy, is actively supporting various efforts that will lead to the adoption of world-class corporate governance practices by listed companies. As such, it included corporate governance as a crucial component of its 5-year strategic program called "LEVEL UP!" Corporate governance is embodied in letter "V," which means "value and enforce corporate governance standards." The Corporate Governance Improvement Program (CGIP) underscores the implementation of the corporate governance program of the PSE. The CGIP involves

the development and conduct of various CG-related initiatives in the PSE, as well as with other market participants.

One of the key CGIP initiatives is the development of the PSE Corporate Governance Guidelines (the "Guidelines") for Publicly Listed Companies. Designed to complement the Securities and Exchange Commission's (SEC) Code of Corporate Governance (SEC Memorandum Circular No. 6, Series of 2009), these Guidelines define, in a pragmatic, simple and straightforward manner, the concepts and best practices that characterize a well-governed listed corporation.

# USING THE CORPORATE GOVERNANCE GUIDELINES

## Understanding the Guidelines

The Guidelines aim to clarify and present the corporate governance standards to which the PSE believes all well-governed publicly-listed companies adopt. This was developed after a careful review and assessment of internationally recognized corporate governance codes and best practices as well as a rigorous local and regional stakeholder engagement process. The PSE believes that the standards reflected in the Guidelines do not only conform to international best practices, but are also relevant and responsive to the Philippine business environment and culture.

The Guidelines are designed to guide listed corporations as they endeavor to improve their

corporate governance practices. It is a basis for the benchmarking of practices and the monitoring of progress. The Guidelines also serve as a basis for future rule development as well as policy and legislative reform initiatives.

The Guidelines are recommendations and not prescriptions. The Guidelines present PSE's interpretation of the applicable corporate governance principles and requirements for the guidance and reference of concerned market participants. **THE GUIDELINES ARE NOT INTENDED TO BE A SOURCE OF ENFORCEABLE LEGAL RIGHTS AS THE GUIDELINES DO NOT HAVE THE FORCE AND EFFECT OF A LAW, RULE OR REGULATION.** Existing laws, policies, rules and

regulations shall at all times, take precedence over the Guidelines. No penalties will be imposed on companies that do not adopt the recommendations in the guidelines. However, since the objective is to elevate listed companies' corporate governance practices, an "adopt or explain" system shall be implemented. As such, companies will be required to report whether they adopt the guidelines or explain why they could not do so.

The Guidelines continue to evolve. As corporate governance is a dynamic field, the recommendations are to be periodically updated and enhanced. The PSE will continue to engage in dialogues with its key stakeholders to ensure that the Guidelines remain to be responsive and relevant.

# DISCLOSURE REQUIREMENTS

All listed companies are required to submit a compliance report for the previous year to the PSE's disclosure department on or before the 30th of January of the year. The report, which is to be submitted under oath by the company President, Chairman or duly authorized representative, and attested to by an independent director, shall indicate the company's assessment of its level of adoption of the recommendations stated in the Guidelines. Only recommendations that are not met or adopted, together with the explanations, shall be disclosed in detail. The assessment report shall be a regular disclosure requirement for all listed companies and will be uploaded in the PSE website.

Companies should make sure that a copy of the compliance report is available in their websites. Such report, or at least a summary of the deviations, should also be made available in a section in the company's annual report that is exclusively dedicated to corporate governance.

The disclosure period shall follow the reporting period adopted by the company in its annual report.

## FROM THE CHAIRMAN



Hans B. Sicat

The Guidelines embody the principles of transparency, efficiency and accountability that can also be used as a guide for the company's relationship with their various stakeholders.

As Chairman of the Board and Governance Committee of the Exchange, I encourage companies to adopt the Guidelines as guiding principles and take the recommendations as alternatives which they can adopt for the benefit of the company and its shareholders. The recommendations are flexible and companies may decide to use other mechanisms. The responsibility of the company is to explain fully to shareholders how these practices work. The same Guidelines will govern the operations of the Exchange.

The Exchange shares the goal of every company in maximizing shareholder value. With the adoption of these Guidelines, it is the firm hope of the Exchange that the listed community shares the same vision of good corporate governance.

Good corporate governance is the battle cry across developed and emerging markets in Asia. The dynamic financial and economic landscape that drove innovation through most of the decade has been tested by the recent financial crises. The role of the board of directors to steer companies to sustainable growth has come into focus. Moreover, the execution of board committee responsibilities is crucial in attaining this goal.

The Philippine Stock Exchange ("Exchange") is presenting the Corporate Governance Guidelines to provide a framework for effective board governance and management for the benefit of shareholders.

## FROM THE PRESIDENT AND C.E.O.



Val Antonio B. Suarez

will likewise be available for investors looking for companies who adopt good corporate governance practices.

Listed companies are encouraged to adopt the recommendations prescribed by these Guidelines but are free to decide to implement other mechanisms they find more appropriate for the size, nature and complexity of their businesses, which may be justified and acceptable. The Exchange merely requires them to be disclosed and clearly explained to shareholders and investors as to their consistency with the Guidelines.

Shareholders looking at the disclosures should not view deviations from the recommendations as breaches but view and evaluate them within the context of the company's operations and surrounding circumstances. It is in the hope of further enhancing the value of listed companies and increasing returns for shareholders that these Guidelines are presented.

The standards set by Corporate Governance Principles have been accepted as tools to unleash value in companies. Several studies worldwide and even in the Philippines have shown that companies which practice good governance are rewarded with enhanced share values. The Philippine Stock Exchange ("Exchange") is thus encouraging listed companies to adopt these Guidelines and reap the benefits offered by good governance.

The Exchange is presenting these Corporate Governance Guidelines and their concomitant requirements for disclosure as a mechanism to guide companies in their operations and for shareholders to be informed of the good governance practices of the companies they are invested in. The same information



## A WELL-GOVERNED COMPANY

### GUIDELINES

1

**DEVELOPS AND EXECUTES A SOUND BUSINESS STRATEGY**  
Shareholder return is optimized through a sound and well-executed strategy.

2

**ESTABLISHES A WELL-STRUCTURED AND FUNCTIONING BOARD**  
A well-functioning board creates value for the enterprise.

3

**MAINTAINS A ROBUST INTERNAL AUDIT AND CONTROL SYSTEM**  
Internal audit and controls enhance operational effectiveness, deter fraud, safeguard company assets, and ensure compliance.

4

**RECOGNIZES AND MANAGES ENTERPRISE RISKS**  
An Enterprise-wide Risk Management system should be in place and properly functioning in a transparent manner.

5

**ENSURES THE INTEGRITY OF ITS FINANCIAL REPORTS AS WELL AS ITS EXTERNAL AUDITING FUNCTION**  
Financial reports must represent a fair and true condition of the company.

6

**RESPECTS AND PROTECTS THE RIGHTS OF ITS SHAREHOLDERS, PARTICULARLY THOSE THAT BELONG TO THE MINORITY OR NON-CONTROLLING GROUP**  
The exercise of shareholders' basic political, economic and governance rights should be facilitated in an equitable and timely manner.

7

**ADOPTS AND IMPLEMENTS AN INTERNATIONALLY-ACCEPTED DISCLOSURE AND TRANSPARENCY REGIME**  
Material information should be disclosed fully, fairly, timely, and accurately.

8

**RESPECTS AND PROTECTS THE RIGHTS AND INTERESTS OF ITS EMPLOYEES, COMMUNITY, ENVIRONMENT, AND OTHER STAKEHOLDERS**  
Corporations should manage the social, environmental and governance aspects of its operations.

9

**DOES NOT ENGAGE IN ABUSIVE RELATED-PARTY TRANSACTIONS AND INSIDER TRADING**  
Abusive related party transactions and insider trading undermine the trust and confidence on the company as well as prejudices non-controlling shareholders' interests.

10

**DEVELOPS AND NURTURES A CULTURE OF ETHICS, COMPLIANCE & ENFORCEMENT**  
Corporate and employee actions should be conducted according to the highest ethical and professional standards at all times.

## 1 DEVELOPS AND EXECUTES A SOUND BUSINESS STRATEGY

Corporations are expected to generate sustainable value for their shareholders while giving due regard to their stakeholders. To do this, the board should set the strategic direction for the corporation, and monitor and control its implementation. The business strategy, developed in the context of the company's vision, mission, and values system, leads to sound key business decisions and sustainability.

Business strategies, to be of value, should be complemented with an execution process that allows the proper monitoring of its implementation. Companies should therefore have mechanisms to convert broad strategies into clear and specific measures, targets, initiatives and other performance management indicators.

### Best practice recommendations:

- 1.1 Have a clearly defined vision, mission and core values.
- 1.2 Have a well developed business strategy.
- 1.3 Have a strategy execution process that facilitates effective performance management, and is attuned to the company's business environment, management style and culture.
- 1.4 Have its board continually engaged in discussions of strategic business issues.

## 2 ESTABLISHES A WELL-STRUCTURED AND FUNCTIONING BOARD

As the focal point of the company's corporate governance system, the board should be structured in a manner that it can perform its fundamental functions of establishing the strategic direction, setting policies, accountabilities and monitoring the performance of its company as it is ultimately accountable and responsible for the latter's affairs.

In order to perform such functions, the board should have clearly defined roles and responsibilities, and be organized in a manner that would make it effective in exercising its oversight over key functions such as audit, risk management, and governance.

### Best practice recommendations:

- 2.1 Have a board composed of directors of proven competence and integrity.
- 2.2 Be led by a chairman who shall ensure that the board functions in an effective and collegial manner.
- 2.3 Have at least three (3) or thirty percent (30%), whichever is higher, of its directors as independent directors.
- 2.4 Have in place written manuals, guidelines and issuances that outline procedures and processes.
- 2.5 Have Audit, Risk, Governance and Nomination and Election Committees.
- 2.6 Have its Chairman and CEO positions held separately by individuals who are not related to each other.
- 2.7 Have a director nomination and election process that ensures that all shareholders are given the opportunity to nominate and elect directors individually based on the number of shares voted.
- 2.8 Have in place a formal board and director development program.
- 2.9 Have a corporate secretary.
- 2.10 Have no shareholder agreements, by-laws provisions, or other arrangements that constrains the directors' ability to vote independently.

### 3 MAINTAINS A ROBUST INTERNAL AUDIT AND CONTROL SYSTEM

Companies should have in place a robust and efficient internal audit and control system that assures the effectiveness and efficiency of operations, reliability of financial reporting, deterring and investigating fraud, safeguarding assets, and compliance with laws and regulations.

The internal audit and control process should be carried out independently by trained, ethical and competent professionals who enjoy the trust, confidence and support of both the board and management.

The board, through the audit committee, shall be ultimately responsible for the selection, performance evaluation and removal of the chief audit executive or the service provider, in cases where the function is outsourced.

#### Best practice recommendations:

**3.1** Establish the internal audit function as a separate unit in the company which would be overseen at the Board level.

**3.2** Have a comprehensive enterprise-wide compliance program that is annually reviewed.

**3.3** Institutionalize quality service programs for the internal audit function.

**3.4** Have in place a mechanism that allows employees, suppliers and other stakeholders to raise valid issues.

**3.5** Have the Chief Executive Officer and Chief Audit Executive attest in writing, at least annually, that a sound internal audit, control and compliance system is in place and working effectively.

### 4 RECOGNIZES AND MANAGES ENTERPRISE RISKS

Companies should have in place a robust and effective system of identifying, assessing, monitoring and managing, to the extent appropriate, all material and relevant risks of the enterprise.

The board determines the company's risk thresholds and mandates the implementation of risk management actions for the company's key risk areas. It ensures that a comprehensive and systemic approach in risk identification and management is adopted so that the company may respond to relevant and material risks as they arise and develop.

#### Best practice recommendations:

**4.1** Have its board oversee the company's risk management function.

**4.2** Have a formal risk management policy that guides the company's risk management and compliance processes and procedures.

**4.3** Design and undertake its Enterprise Risk Management (ERM) activities on the basis of, or in accordance with, internationally recognized frameworks such as but not limited to, COSO (The Committee of Sponsoring Organizations of the Treadway Commission) I and II.

**4.4** Have a unit at the management level, headed by a Risk Management Officer (RMO).

**4.5** Disclose sufficient information about its risk management procedures and processes as well as the key risks the company is currently facing including how these are being managed.

**4.6** Seek external technical support in risk management when such competence is not available internally.

## 5 ENSURES THE INTEGRITY OF ITS FINANCIAL REPORTS AS WELL AS ITS EXTERNAL AUDITING FUNCTION

It is imperative for corporations to provide an accurate report of its financial position, financial performance, as well as changes in both. Such reports should be understandable, relevant, reliable, comparable, and should be prepared according to internationally accepted accounting standards.

To ensure the reliability of the financial reports, they must be audited by an independent external audit firm also following internationally accepted auditing standards as required by the SEC. The selection of the audit firm should be proposed by the board and approved by the shareholders.

### Best practice recommendations:

- 5.1** Have the board Audit Committee approve all non-audit services conducted by the external auditor. The Committee should ensure that the non-audit fees do not outweigh the fees earned from the external audit.
- 5.2** Ensure that the external auditor is credible, competent, and should have the ability to understand complex related party transactions, its counterparties, and valuations of such transactions.
- 5.3** Ensure that the external auditor has adequate quality control procedures.
- 5.4** Disclose relevant information on the external auditors.
- 5.5** Ensures that the external audit firm is selected on the basis of a fair and transparent tender process.
- 5.6** Have its audit committee conduct regular meetings and dialogues with the external audit team without anyone from management present.
- 5.7** Have the financial reports attested to by the Chief Executive Officer and Chief Financial Officer.
- 5.8** Have a policy of rotating the lead audit partner every five years.

## 6 RESPECTS AND PROTECTS THE RIGHTS OF SHAREHOLDERS, PARTICULARLY THOSE THAT BELONG TO THE MINORITY OR NON-CONTROLLING GROUP

Companies should recognize and protect the rights of its shareholders particularly those that hold a minority or non-controlling stake in the company. A company should ensure that the exercise of shareholders' basic political, economic and governance rights are facilitated in an equitable, timely and transparent manner.

The use of technology should be optimized in order to inform and actively engage all shareholders in matters that, under existing policies and regulation, require or allow shareholder action.

### Best practice recommendations:

- 6.1** Adopt the principle of "one share, one vote."
- 6.2** Ensure that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.
- 6.3** Have an effective, secure and efficient voting system.
- 6.4** Have effective shareholder voting mechanisms such as supermajority or "majority of minority" requirements to protect minority shareholders against actions of controlling shareholders.
- 6.5** Provide all shareholders with the notice and agenda of the annual general meeting (AGM) at least thirty (30) days before a regular meeting and twenty (20) days before a special meeting.
- 6.6** Allow shareholders to call a special shareholders meeting, submit a proposal for consideration at the AGM or the special meeting, and ensure the attendance of the external auditor and other relevant individuals to answer shareholder questions in such meetings.



**6.7** Ensure that all relevant questions during the AGM are answered.

**6.8** Have clearly articulated and enforceable policies with respect to treatment of minority shareholders.

**6.9** Avoid anti-takeover measures or similar devices that may entrench ineffective management or the existing controlling shareholder group.

**6.10** Provide all shareholders with accurate and timely information regarding the number of shares of all classes held by controlling shareholders and their affiliates.

**6.11** Have a communications strategy to promote effective communication with shareholders.

**6.12** Have at least thirty percent (30%) public float to increase liquidity in the market.

**6.13** Have a transparent dividend policy.

7

## **ADOPTS AND IMPLEMENTS AN INTERNATIONALLY-ACCEPTED DISCLOSURE AND TRANSPARENCY REGIME**

Companies should be transparent and open about their affairs. A company should disclose its achievements, plans, challenges and other information that are relevant and material to its stakeholders, especially its shareholders. It should ensure full, fair, timely, and accurate disclosure of material information to allow its shareholders to make informed decisions on their shareholdings as well as their ownership rights and obligations.

Companies must adopt a disclosure and transparency regime that is based on international best practice and should be one of substance over form. This would involve disclosure on corporate information that would have an impact on the share price and the interest and rights of the shareholders.

### Best practice recommendations:

**7.1** Have written policies and procedures designed to ensure compliance with the PSE and SEC disclosure rules, as well as other disclosure requirements under existing laws and regulations.

**7.2** Disclose the existence, justification, and details on shareholders agreements, voting trust agreements, confidentiality agreements, and such other agreements that may impact on the control, ownership, and strategic direction of the company.

**7.3** Disclose its director and executive compensation policy.

**7.4** Disclose names of groups or individuals who hold five percent (5%) or more ownership interest in the company, significant cross-shareholding relationship and cross guarantees, as well as the nature of the company's other companies if it belongs to a corporate group.

**7.5** Disclose annual and quarterly consolidated reports, cash flow statements and special audit revisions. Consolidated financial statements shall be published within ninety (90) days from the end of the financial year, while interim reports shall be published within forty-five (45) days from the end of the reporting period.

**7.6** Disclose to shareholders and the Exchange any changes to its corporate governance manual and practices, and the extent to which such practices conform to the SEC and PSE CG Guidelines.

**7.7** Publish and/or deliver to its shareholders in a timely fashion all information and materials relevant to corporate actions that require shareholder approval.

**7.8** Disclose the trading of the corporation's shares by directors, officers (or persons performing similar functions) and controlling shareholders. This shall also include the disclosure of the company's purchase of its shares from the market (e.g share buy-back program).

**7.9** Disclose in its annual report the principal risks to minority shareholders associated with the identity of the company's controlling shareholders; the degree of ownership concentration; cross-holdings among company affiliates; and any imbalances between the controlling shareholders' voting power and overall equity position in the company.

## 8 RESPECTS AND PROTECTS THE RIGHTS AND INTERESTS OF EMPLOYEES, COMMUNITY, ENVIRONMENT, AND OTHER STAKEHOLDERS

For corporations to generate long-term sustainable value for its shareholders, it must be able to properly manage the social, environmental and governance aspects of its activities. As such, corporations should have clear programs and policies that guide its conduct and outline its responsibilities towards the community, the physical environment, the workplace and the market upon which it operates.

As responsible corporate citizens, companies should forge deeper and more effective relationships with its key stakeholders through interventions that provide long-term and sustainable development to the stakeholder group, leveraging on the company's reputational, economical, social, and human capital. Companies should make corporate citizenship an integral part of the business strategy and processes.

Companies should also disclose in a timely and accurate manner their corporate responsibility practices and activities.

### Best practice recommendations:

**8.1** Establish and disclose a clear policy statement that articulates the company's recognition and protection of the rights and interests of key stakeholders specifically its employees, suppliers and customers, creditors, as well the community, environment and other key stakeholder groups.

**8.2** Have in place a workplace development program.

**8.3** Have in place a merit-based performance incentive mechanism such as an employee stock option plan (ESOP) or any such scheme that awards and incentivizes employees, at the same time aligns their interests with those of the shareholders.

**8.4** Have in place a community involvement program.

**8.5** Have in place an environment-related program.

**8.6** Have clear policies that guide the company in its dealing with its suppliers, customers, creditors, analysts, market intermediaries and other market participants.

## 9 DOES NOT ENGAGE IN ABUSIVE RELATED-PARTY TRANSACTIONS (RPT) AND INSIDER TRADING

The predominant ownership and control structure of Philippine corporations increases the propensity of such corporations to deal with related parties. While such practice can be beneficial to the parties concerned, it can also be used to the detriment of other stakeholders. In this regard, companies should ensure that all its transactions are fair and transparent, and do not benefit a particular group or individual at the expense of public investors or minority shareholders. An appropriate system of disclosure and approvals should be set in place so as to prevent or mitigate abusive transactions with related parties.

Corporations should also institutionalize a system that prevents and penalizes the use of material non-public information by company insiders. Rules and procedures regarding director or employee trading of the company's securities should be clear, practical, and more importantly effective, in safeguarding against insider trading.

### Best practice recommendations:

**9.1** Develop and disclose a policy governing the company's transactions with related parties.

**9.2** Clearly define the thresholds for disclosure and approval for RPTs and categorize such transactions according to those that are considered de minimis or transactions that need not be reported or announced, those that need to be disclosed, and those that need prior shareholder approval. The aggregate amount of RPT within any twelve (12) month period should be considered for purposes of applying the thresholds for disclosure and approval.

**9.3** Establish a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions in shareholders meetings.

**9.4** Have its independent directors or audit committee play an important role in reviewing significant RPTs.

**9.5** Be transparent and consistent in reporting its RPTs. A summary of such transactions shall be published in the company's annual report.

**9.6** Have a clear policy in dealing with material non-public information by company insiders.

**9.7** Have a clear policy and practice of full and timely disclosure to shareholders of all material transactions with affiliates of the controlling shareholders, directors or management.

## DEVELOPS AND NURTURES A CULTURE OF ETHICS, COMPLIANCE AND ENFORCEMENT

Corporations should comply with the content and spirit of all applicable laws and regulations that govern their operations. Its employees should conduct themselves according to the highest ethical and professional standards at all times. They should not participate or benefit from any activity that is illegal, immoral or unethical.

Corporations should establish an organizational culture which ensures and promotes proper and ethical conduct. Such culture must be actively nurtured, sustained and lived by the board and senior management to “set the tone at the top” and send the signal to the entire organization that it is important and that it should be adopted by all.

A fair and effective enforcement system should complement a corporation’s compliance initiative.

Best practice recommendations:

**10.1** Formally adopt a code of ethics and proper conduct that guides individual behavior and decision making, clarify responsibilities, and inform other stakeholders on the conduct expected from company personnel.

**10.2** Have a formal comprehensive compliance program covering compliance with laws and relevant regulations. The program should include appropriate training and awareness initiatives to facilitate understanding, acceptance and compliance with the said issuances.

**10.3** Not seek exemption from the application of a law, rule or regulation especially when it refers to a corporate governance issue. Should it do so, it has to disclose the reason for such action as well present the specific steps being taken to finally comply with the applicable law, rule or regulation.

**10.4** Have clear and stringent policies and procedures on curbing and penalizing company or employee involvement in offering, paying and receiving bribes.

**10.5** Have a designated officer responsible for ensuring compliance with all relevant laws, rules and regulations, as well as all regulatory requirements.

**10.6** Respect intellectual property rights.

**10.7** Establish and commit itself to an alternative dispute resolution system so that conflicts and difference with counterparties, particularly with shareholders and other key stakeholders, would be settled in a fair and expeditious manner.

### Acknowledgements

The PSE thanks the following organizations whose publications, experts and thought leadership have inspired and guided the development of these Guidelines. Intellectual debt is owed to the authors of the codes, principles, toolkits and other publications that have been heavily referred to in this document.

**Asian Corporate Governance Association (ACGA)**  
**Australian Stock Exchange Corporate Governance Council**  
**California Public Employees’ Retirement System (CalPERS)**  
**Corporate Governance & Financial Reporting Centre (CGFRC)**  
**CFA Institute Centre for Financial Market Integrity**  
**Global Corporate Governance Forum (GCGF)**  
**International Corporate Governance Network (ICGN)**  
**International Finance Corporation (IFC)**  
**Institute of Corporate Directors (ICD)**  
**Organization for Economic Co-operation Development (OECD)**

To ensure that the recommendations do not only conform to international corporate governance standards but also to local circumstances and culture, the PSE likewise reviewed rules, regulations and policies of local regulators as well as consulted with various Philippine-based institutions. Great appreciation is likewise expressed to the following:

**Philippine Securities and Exchange Commission (SEC)**  
**Institute of Corporate Directors (ICD)**  
**Ateneo de Manila University College of Law**  
**Fund Managers Association of the Philippines (FMAP)**  
**Investment Houses Association of the Philippines (IHAP)**

And finally, the PSE would like to express its deepest gratitude to the British Embassy in Manila for the funding grant it has provided to this project, as well as organizations and individuals who have directly and indirectly contributed to this work.

#### Disclaimer & Limitations

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A Publication of the Corporate Governance Office (CGO)



**THE PHILIPPINE STOCK  
EXCHANGE, INC.**

**Corporate Governance Guidelines  
for  
Listed Companies  
Disclosure Template**

## CORPORATE GOVERNANCE GUIDELINES: DISCLOSURE SURVEY

Company Name: \_\_\_\_\_

Date: \_\_\_\_\_

	COMPLY	EXPLAIN
<b>Guideline No. 1: DEVELOPS AND EXECUTES A SOUND BUSINESS STRATEGY</b>		
1.1 Have a clearly defined vision, mission and core values.		
1.2 Have a well developed business strategy.		
1.3 Have a strategy execution process that facilitates effective performance management, and is attuned to the company's business environment, management style and culture.		
1.4 Have its board continually engaged in discussions of strategic business issues.		
<b>Guideline No. 2: ESTABLISHES A WELL-STRUCTURED AND FUNCTIONING BOARD</b>		
2.1. Have a board composed of directors of proven competence and integrity.		
2.2. Be lead by a chairman who shall ensure that the board functions in an effective and collegial manner.		
2.3 Have at least three (3) of thirty percent (30%) of its directors as independent directors.		
2.4 Have in place written manuals, guidelines and issuances that outline procedures and processes.		
2.5 Have Audit, Risk, Governance and Nomination & Election Committees of the board.		
2.6 Have its Chairman and CEO positions held separately by individuals who are not related to each other.		
2.7 Have a director nomination and election process that ensures that all shareholders are given the opportunity to nominate and elect directors individually based on the number of shares voted.		
2.8 Have in place a formal board and director development program.		
2.9 Have a corporate secretary.		
2.10 Have no shareholder agreements, by-laws provisions, or other arrangements that constrains the directors' ability to vote independently.		
<b>Guideline No. 3: MAINTAINS A ROBUST INTERNAL AUDIT AND CONTROL SYSTEM</b>		
3.1 Establish the internal audit function as a separate unit in the company which would be overseen at the Board level.		
3.2 Have a comprehensive enterprise-wide compliance program that is annually		

## CORPORATE GOVERNANCE GUIDELINES: DISCLOSURE SURVEY

Company Name: \_\_\_\_\_

Date: \_\_\_\_\_

	reviewed.		
3.3	Institutionalize quality service programs for the internal audit function.		
3.4	Have in place a mechanism that allows employees, suppliers and other stakeholders to raise valid issues.		
3.5	Have the Chief Executive Officer and Chief Audit Executive attest in writing, at least annually, that a sound internal audit, control and compliance system is in place and working effectively.		
<b>Guideline No. 4: RECOGNIZES AND MANAGES ITS ENTERPRISE RISKS</b>			
4.1	Have its board oversee the company's risk management function.		
4.2	Have a formal risk management policy that guides the company's risk management and compliance processes and procedures.		
4.3	Design and undertake its Enterprise Risk Management (ERM) activities on the basis of, or in accordance with, internationally recognized frameworks such as but not limited to, COSO, (The Committee of Sponsoring Organizations of the Treadway Commission) I and II.		
4.4	Have a unit at the management level, headed by a Risk Management Officer (RMO).		
4.5	Disclose sufficient information about its risk management procedures and processes as well as the key risks the company is currently facing including how these are being managed.		
4.6	Seek external technical support in risk management when such competence is not available internally.		
<b>Guideline No. 5: ENSURES THE INTEGRITY OF FINANCIAL REPORTS AS WELL AS ITS EXTERNAL AUDITING FUNCTION</b>			
5.1	Have the board Audit Committee approve all non-audit services conducted by the external auditor. The Committee should ensure that the non-audit fees do not outweigh the fees earned from the external audit.		
5.2	Ensure that the external auditor is credible, competent, and should have the ability to understand complex related party transactions, its counterparties, and valuations of such transactions.		
5.3	Ensure that the external auditor has adequate quality control procedures.		
5.4	Disclose relevant information on the external auditors.		
5.5	Ensures that the external audit firm is selected on the basis of a fair and transparent tender process.		
5.6	Have its audit committee conduct regular meetings and dialogues with the external		

## CORPORATE GOVERNANCE GUIDELINES: DISCLOSURE SURVEY

Company Name: \_\_\_\_\_

Date: \_\_\_\_\_

	audit team without anyone from management present.		
5.7	Have the financial reports attested to by the Chief Executive Officer and Chief Financial Officer.		
5.8	Have a policy of rotating the lead audit partner every five years.		
<b>Guideline No. 6: RESPECTS AND PROTECTS THE RIGHTS OF ITS SHAREHOLDERS, PARTICULARLY THOSE THAT BELONG TO THE MINORITY OR NON- CONTROLLING GROUP</b>			
6.1	Adopt the principle of “one share, one vote.”		
6.2	Ensure that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.		
6.3	Have an effective, secure and efficient voting system.		
6.4	Have effective shareholder voting mechanisms such as supermajority or “majority of minority” requirements to protect minority shareholders against actions of controlling shareholders.		
6.5	Provide all shareholders with the notice and agenda of the annual general meeting (AGM) at least thirty (30) days before a regular meeting and twenty (20) days before a special meeting.		
6.6	Allow shareholders to call a special shareholders meeting, submit a proposal for consideration at the AGM or the special meeting, and ensure the attendance of the external auditor and other relevant individuals to answer shareholder questions in such meetings.		
6.7	Ensure that all relevant questions during the AGM are answered.		
6.8	Have clearly articulated and enforceable policies with respect to treatment of minority shareholders.		
6.9	Avoid anti-takeover measures or similar devices that may entrench management or the existing controlling shareholder group.		
6.10	Provide all shareholders with accurate and timely information regarding the number of shares of all classes held by controlling shareholders and their affiliates.		
6.11	Have a communications strategy to promote effective communication with shareholders.		
6.12	Have at least thirty percent (30%) public float to increase liquidity in the market.		
6.13	Have a transparent dividend policy.		
<b>Guideline No. 7: ADOPTS AND IMPLEMENTS AN INTERNATIONALLY-ACCEPTED DISCLOSURE</b>			



## CORPORATE GOVERNANCE GUIDELINES: DISCLOSURE SURVEY

Company Name: \_\_\_\_\_

Date: \_\_\_\_\_

<b>AND TRANSPARENCY REGIME</b>		
7.1	Have written policies and procedures designed to ensure compliance with the PSE and SEC disclosure rules, as well as other disclosure requirements under existing laws and regulations.	
7.2	Disclose the existence, justification, and details on shareholders agreements, voting trust agreements, confidentiality agreements, and such other agreements that may impact on the control, ownership, and strategic direction of the company.	
7.3	Disclose its director and executive compensation policy.	
7.4	Disclose names of groups or individuals who hold 5% or more ownership interest in the company, significant cross-shareholding relationship and cross guarantees, as well as the nature of the company's other companies if it belongs to a corporate group.	
7.5	Disclose annual and quarterly consolidated reports, cash flow statements and special audit revisions. Consolidated financial statements shall be published within 90 days from the end of the financial year, while interim reports shall be published within 45 days from the end of the reporting period.	
7.6	Disclose to shareholders and the Exchange any changes to its corporate governance manual and practices, and the extent to which such practices conform to the SEC and PSE CG Guidelines.	
7.7	Publish and/or deliver to its shareholders in a timely fashion all information and materials relevant to corporate actions that require shareholder approval.	
7.8	Disclose the trading of the corporation's shares by directors, officers (or persons performing similar functions) and controlling shareholders. This shall also include the disclosure of the company's purchase of its shares from the market (e.g share buy-back program).	
7.9	Disclose in its annual report the principal risks to minority shareholders associated with the identity of the company's controlling shareholders; the degree of ownership concentration; cross-holdings among company affiliates; and any imbalances between the controlling shareholders' voting power and overall equity position in the company.	
<b>Guideline No. 8: RESPECTS AND PROTECTS THE RIGHTS AND INTERESTS OF EMPLOYEES, COMMUNITY, ENVIRONMENT, AND OTHER STAKEHOLDERS</b>		
8.1	Establish and disclose a clear policy statement that articulates the company's recognition and protection of the rights and interests of key stakeholders specifically its employees, suppliers & customers, creditors, as well the community, environment and other key stakeholder groups.	

## CORPORATE GOVERNANCE GUIDELINES: DISCLOSURE SURVEY

Company Name: \_\_\_\_\_

Date: \_\_\_\_\_

8.2	Have in place a workplace development program.		
8.3	Have in place a merit-based performance incentive mechanism such as an employee stock option plan (ESOP) or any such scheme that awards and incentivizes employees, at the same time aligns their interests with those of the shareholders.		
8.4	Have in place a community involvement program.		
8.5	Have in place an environment-related program.		
8.6	Have clear policies that guide the company in its dealing with its suppliers, customers, creditors, analysts, market intermediaries and other market participants.		
<b>Guideline No. 9: DOES NOT ENGAGE IN ABUSIVE RELATED-PARTY TRANSACTIONS AND INSIDER TRADING</b>			
9.1	Develop and disclose a policy governing the company's transactions with related parties.		
9.2	Clearly define the thresholds for disclosure and approval for RPTs and categorize such transactions according to those that are considered <i>de minimis</i> or transactions that need not be reported or announced, those that need to be disclosed, and those that need prior shareholder approval. The aggregate amount of RPT within any twelve (12) month period should be considered for purposes of applying the thresholds for disclosure and approval.		
9.3	Establish a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions in shareholders meetings.		
9.4	Have its independent directors or audit committee play an important role in reviewing significant RPTs.		
9.5	Be transparent and consistent in reporting its RPTs. A summary of such transactions shall be published in the company's annual report.		
9.6	Have a clear policy in dealing with material non-public information by company insiders.		
9.7	Have a clear policy and practice of full and timely disclosure to shareholders of all material transactions with affiliates of the controlling shareholders, directors or management.		
<b>Guideline No. 10: DEVELOPS AND NURTURES A CULTURE OF ETHICS, COMPLIANCE, &amp; ENFORCEMENT</b>			
10.1	Formally adopt a code of ethics and proper conduct that guides individual behavior and decision making, clarify responsibilities, and inform other stakeholders on the conduct expected from company personnel.		

CORPORATE GOVERNANCE GUIDELINES: DISCLOSURE SURVEY

Company Name: \_\_\_\_\_

Date: \_\_\_\_\_

10.2	Have a formal comprehensive compliance program covering compliance with laws and relevant regulations. The program should include appropriate training and awareness initiatives to facilitate understanding, acceptance and compliance with the said issuances.		
10.3	Not seek exemption from the application of a law, rule or regulation especially when it refers to a corporate governance issue. Should it do so, it has to disclose the reason for such action as well present the specific steps being taken to finally comply with the applicable law, rule or regulation.		
10.4	Have clear and stringent policies and procedures on curbing and penalizing company or employee involvement in offering, paying and receiving bribes.		
10.5	Have a designated officer responsible for ensuring compliance with all relevant laws, rules, and regulation, as well as all regulatory requirements.		
10.6	Respect intellectual property rights.		
10.7	Establish and commit itself to an alternative dispute resolution system so that conflicts and difference with counterparties, particularly with shareholders and other key stakeholders, would be settled in a fair and expeditious manner.		

This is to certify that the undersigned reviewed the contents of this document and to the best of my knowledge and belief, the information contained set forth in this document is true, complete and correct.

Done this \_\_\_\_\_ in \_\_\_\_\_.

\_\_\_\_\_

Independent director

\_\_\_\_\_

President, CEO, or Authorized Representative





# MEMORANDUM No.2008-0462

## The Philippine Stock Exchange, Inc.

Trading Rules                       Computer Systems Update  
 Membership Rules                 Administrative Matters  
 Listing Rules                          Others:

To : **LISTED COMPANIES**  
 Subject : **DISCLOSURE OF CHANGES IN LODGMET AND UPLIFTMENT  
PROCEDURE OF LISTED COMPANIES**  
 Date : **October 3, 2008**

In line with the full disclosure requirement of the Exchange, all listed companies are enjoined to timely apprise the Trading Participant and the Investing public via the Exchange's Online Disclosure System (ODiSy) of any procedural changes implemented or adopted by the listed companies, through its Corporate Secretary, in connection with the lodgment and upliftment of the listed company's securities.

This disclosure shall facilitate the orderly administration of the Issuer's securities for its investors.

Your compliance is hereby enjoined.

*(Original Signed)*  
**ATTY. PETE M. MALABANAN**  
*Head, Disclosure Department*

*Noted By:*

*(Original Signed)*  
**ROY JOSEPH M. RAFOLS**  
*COO/Head, Issuer Regulation Division*

Finance / Admin / Membership Tel. No.688-7560/7440/7460	Compliance & Surveillance Grp. Tel. No. 688-7559	Listing & Disclosures Grp. Tel. No. 688-7501/7510	COO / Automated Trading Grp. Tel. No. 688-7405/819-4400	Business Dev't & Info. Group Tel. No. 688-7590	CEO / Legal Tel. No. 688-7400/819-4408

<b>MONITORING OF USE OF PROCEEDS</b>
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To ensure transparency in the use of proceeds as stated in an application for initial or additional listing, the Issuer is required to submit a sworn Undertaking via the PSE Electronic Disclosure Technology (“PSE EDGE”) the following disclosures:

- a. Any disbursements made in connection with the planned use of proceeds;
- b. Quarterly Progress Report on the application of the proceeds on or before the first fifteen (15) calendar days of the following quarter. The Quarterly Progress Reports should be certified by the Issuer’s Chief Financial Officer or Treasurer and external auditor;
- c. Annual summary of the application of the proceeds on or before January 31 of the following year. The Annual Summary Report should be certified by the Issuer’s Chief Financial Officer or Treasurer and external auditor;
- d. Approval by the Issuer’s Board of Directors of any reallocation on the planned use of proceeds, or of any change in the Work Program. The actual disbursement or implementation of such reallocation must be disclosed by the Company at least thirty (30) days prior to the said actual disbursement or implementation; and
- e. A comprehensive report on the progress of the Company’s Business Plan on or before the first fifteen (15) days of the following quarter.

The quarterly and annual reports required in items (b) and (c) above must include the following detailed explanation for any material variances between the actual disbursements and the planned use of proceeds in the Work Program or IPO Prospectus, if any. The detailed explanation must state the approval of the Company’s Board of Directors as required in item (d) above.

The Exchange may require disclosure of additional information as it considers appropriate and material in any particular case.

The applicable sanctions under the Penalties and Fines of the Revised Disclosure Rules will apply should the Company (i) fail to promptly disclose a deviation from the represented use of proceeds equivalent to twenty percent (20%) of the original amount appropriated, or (ii) fail to promptly update or correct prior disclosures within ten (10) minutes from receipt of the information of any discrepancy to such previously issued disclosures.





## Listing Rules for the Main and Small, Medium and Emerging ("SME") Boards of the PSE

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8. The 180-day lock-up period in Section 2 of Article III, Part D of the Revised Rules shall also apply to companies that do not meet the track record requirement but comply with the requirements in Section 1(b)(i) or Section 1(b)(ii) of Article III, Part D of the Revised Rules.
9. The restriction in Section 3(b) of Article III, Part D is applicable only to mining, petroleum, and renewable energy companies, newly formed holding companies that invoke the track record of their respective subsidiaries, and such other companies that may subsequently be determined by the Exchange as exempt from both the track record and operating history requirements. The prohibition does not apply to companies invoking Section 1(b)(i) of Article III, Part D of the Revised Rules as the said companies are still subject to the operating history requirement. The restriction in Section 3(c) of Article III, Part E, on the other hand, is applicable only to mining, petroleum, and renewable energy companies, and such other companies that may subsequently be determined by the Exchange as exempt from both the track record and operating history requirements.
10. Section 3(b) of Article III, Part E of the Revised Rules does not preclude companies from engaging in related businesses that fall within its primary purpose.

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