



MEMORANDUM

MEA - No. 2022-0002

THE PHILIPPINE STOCK EXCHANGE, INC.

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

TO : ALL MARKET PARTICIPANTS

SUBJECT : EFFECTIVITY OF AMENDMENTS TO THE RULES FOR LOCAL SMALL INVESTORS

DATE : June 13, 2022

Please be advised that the Securities and Exchange Commission has approved the amendments to the rules for local small investors (LSIs), as set out in section 3, Article III, Part F of the Consolidated Listing and Disclosure Rules (“LSI Rule”).

The amended LSI Rule authorizes the Exchange to increase the maximum subscription amount per local small investor to more than One Hundred Thousand Pesos (₱100,000.00) on a case to case basis, to correspond with the size of the offering.

The amended LSI Rule, set out in **Annex “A”** hereof, shall take effect immediately.

For your information and guidance.

(Original Signed)
Ramon S. Monzon
President and CEO

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**ARTICLE III
EQUITY SECURITIES**

**PART F
DISTRIBUTION OF INITIAL PUBLIC OFFERING
SHARES THROUGH THE EXCHANGE**

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Section 3. Allocation to Local Small Investors. - The allocation to the "local small investors" or "LSI" shall be at least ten percent (10%) of the entire IPO which shall be offered only after the effectivity of the registration statement and during the formal offering period. The issuer shall provide the appropriate distribution mechanism to facilitate greater participation in the LSI allocation nationwide.

The term "local small investor" or "LSI" is defined as a "share subscriber" who is willing to subscribe to a minimum board lot and whose subscription does not exceed One Hundred Thousand Pesos (₱100,000.00); provided, however, that the Exchange's Management may increase the maximum subscription amount for the LSI, on a case to case basis, taking into account the offer size of the IPO consistent with the objective of facilitating and achieving maximum participation and subscription to the LSI allocation. In the event of an over or under subscription in the ten percent (10%) offer, a "clawback" or a "clawforward" mechanism shall be implemented.

The issuer shall submit a mechanism that will prioritize subscriptions of small investors with amounts lower than ₱100,000.00 or the maximum amount determined by the Exchange, as may be applicable, in the ten percent (10%) allocation for LSIs. The same shall be reflected in the registration statement covering the IPO.