

## ARTICLE VII DISCLOSURE RULES

**SECTION 1. Basic Principle** - The basic principle of the Exchange is to ensure full, fair, timely and accurate disclosure of material information from all listed companies. This principle shall apply to all the disclosure requirements under these Rules.

**SECTION 2.** Issuers must comply with the continuing disclosure requirements of the Exchange. The Issuer must promptly make available all information, through the submission of structured and unstructured disclosures, that would enable a reasonable investor to determine whether to buy, sell or hold securities, or in connection with the exercise of related voting rights. It must take reasonable steps to ensure that all investors have equal access to such information.

*Note: Corporate disclosures are classified into two: the structured and the unstructured corporate disclosures. Structured continuing disclosures are reportorial requirements submitted within specific time frames such as annual, quarterly and monthly reports. Unstructured continuing disclosures are communications of corporate developments as they occur and are intended to update the investing public on the activities, operations and business of the Issuer.*

*Beginning 8 April 2008, the Exchange has adopted the guidelines for listed companies to follow in uploading to their respective websites the reports/disclosures made to the Commission and the Exchange, as well as the corporate governance reports:*

1. All structured, unstructured and corporate governance reports submitted to the Exchange and the Commission must be uploaded to the listed companies' respective website.
2. Companies must only upload the disclosures submitted to the Exchange on their websites 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 website:

Structured reports	-	at least two (2) years
Unstructured reports	-	at least six (6) months
Corporate Governance Report	-	at least one (1) year
4. Listed companies' websites should contain the actual disclosures/reports and just provide a link to the Exchange's website. (**Guidance Note 13** - PSE Memorandum No. 2008-0182 dated 8 April 2008 re: Guidelines for Listed Companies on Posting Disclosures/Reports to their Websites)

*The Exchange has implemented beginning December 27, 2013 the PSE Electronic Disclosure Generation Technology (PSE EDGE) for the submission of all corporate disclosures and PSE listing and disclosure notices. (**Guidance Note 14** - PSE Memorandum DA-No. 2013-0726 dated 26 December 2013 re: Implementation of the PSE Electronic Disclosure Technology).*

*The cut-off for releasing of corporate disclosures by the Exchange is at 3:30 p.m. of each Trading Day, reckoned from the receipt. All disclosures received on or before this cut-off will be released on the same Trading Day. Submissions after 3:30 p.m., on the other hand, will be released on the next Trading Day. (Guidance Note 15 – PSE Memorandum CN – No. 2022-0010 dated 24 February 2022 re: Cut-off for Posting Disclosures on PSE EDGE Portal)*

### **SECTION 3. Reportorial Requirements under the Securities Regulation Code**

- Except as otherwise specified, the Exchange hereby fully adopts the requirements for filing, including form and content, under the SRC. Accordingly, Issuers are required to furnish the Exchange copies of all reportorial requirements submitted to the Commission.

*Note: Unless the reportorial requirements are already covered by Sections 4.1 and 4.4 below which require the disclosure of the matter to the Exchange within ten (10) minutes from the receipt of such information or the happening or occurrence of said act, development or event, such reportorial requirement must be simultaneously submitted to the Exchange.*

### **SECTION 4. Unstructured Continuing Disclosure Requirements, Purpose –**

The purpose for requiring unstructured disclosures is for the Issuer to update the investing public with any material fact or event that occurs which would reasonably be expected to affect investors' decision in relation to the trading of its securities.

*Note: A material fact or event is one which would reasonably be expected to affect investors' decisions in relation to those securities. This includes, but is not limited to, any significant and relevant information relating to the business and operations of the Issuer that, if and when disclosed, would result in or would reasonably be expected to cause a significant change in the trading and/or market value of the Issuer's securities.*

**SECTION 4.1. Disclosure of Material Information** – In addition to the reportorial requirements under the SRC, Issuers are hereby required to disclose to the Exchange once they become aware of any material information or corporate act, development or event, within ten (10) minutes from the receipt of such information or the happening or occurrence of said act, development or event. Disclosure must be made to the Exchange prior to its release to the news media.

The original copy of the disclosure must be delivered to the Exchange within twenty four (24) hours from the time of initial disclosure.

Any disclosure pursuant to the foregoing must be addressed to the attention of the Disclosure Department of the Exchange.

Should the act, development or event occur during trading hours, the Issuer must request a halt in the trading of its shares in order to ensure that the

investing public would have equal access to the information. If, however, the said act, development or event occurs after trading hours but the Issuer is unable to make a disclosure prior to the pre-open period of the next Trading Day, the Issuer must request a halt in the trading of its shares. In both cases, the trading halt shall be lifted one (1) hour after the information has been disseminated to enable the investing public to digest the information. If the information is disseminated one (1) hour or less prior to the close of market, the trading halt shall be lifted on the subsequent Trading Day.

*Note: Under the Exchange's Revised Trading Rules, "Trading Halt" means any "temporary stoppage in the trading of a security not lasting longer than one (1) Trading Day." Orders, other than Cross Transactions, can be posted, modified and cancelled notwithstanding the Trading Halt of a security.*

*In case of trading suspension, orders cannot be posted, modified or cancelled and no Trading Participant may carry out, directly or indirectly, any action involving a suspended security.*

However, the above rule shall not apply when the following instances are present:

**4.1.1.** The activity or development is still considered soft information.

**4.1.2.** The disclosure of the information would be in contravention to any existing laws of the land.

*Note: Soft information is information that is indefinite in nature. It may, depending on attending facts and circumstances, include:*

- a. Forward looking statements or disclosures about future prospects or plans and objectives for future operations, projections or estimates, a statement on future economic performance;*
- b. Subjective, evaluative information prepared by analysts for strategic purposes or which contain management's beliefs or opinions; or*
- c. Uncertainties and developments in process, incomplete proposals or preliminary negotiations, corporate transactions in the planning stage or bid submissions.*

**SECTION 4.2. Selective Disclosure of Material Information** – An Issuer is prohibited to communicate material non-public information about the Issuer to any person, unless the Issuer is ready to simultaneously disclose the material non-public information to the Exchange. This section shall not apply if the disclosure is made to:

- a. A person who is bound by duty to maintain trust and confidence to the Issuer such as but not limited to its auditors, legal counsels, investment bankers, financial advisers; and
- b. A person who agrees in writing to maintain in strict confidence the disclosed material information and will not take advantage of it for his personal gain.

The Issuer shall establish and implement internal controls that will ensure that its officers, staff and any other person who is privy to the material non-public information shall comply with the requirement of this section.

*Note: Disclosure of material information must be made to the Exchange within the period stated in Section 4.1. and prior to its release to the media or any third party. Except for disclosures to persons under Section 4.2. (a) and (b), all directors, officers, employees, agents, and/or representatives of the Issuer must refrain from making statements especially if these are not yet disclosed to the Exchange.*

*For forward looking statements or soft information, the Issuer must emphasize the nature of such information and that the information is subject to change.*

**SECTION 4.3. Standard and Test in Determining Whether Disclosure is Necessary** – A disclosure must be made promptly by the Issuer if it meets any of the following standards:

- a. Where the information is necessary to enable the Issuer and the public to appraise their position or standing, such as, but not limited to, those relating to the Issuer's financial condition, prospects, development projects, contracts entered into in the ordinary course of business or otherwise, mergers and acquisitions, dealings with employees, suppliers, customers and others, as well as information concerning a significant change in ownership of the Issuer's securities owned by insiders or those representing control of the Issuer; or
- b. Where such information is necessary to avoid the creation of a false market for its securities; or
- c. Where such information may reasonably be expected to materially affect market activity and the price of its securities.

*Note: Subject to other provisions of the Disclosure Rules, it shall be the sole responsibility of the Issuer to determine which information is material under these standards and is therefore disclosable to the Exchange.*

**SECTION 4.4. Events Mandating Prompt Disclosure** - The following events, while not comprising a list of all the situations must be disclosed to the Exchange in compliance with Sec. 4.1 hereof:

- a. A change in control of the Issuer;
- b. The filing of any legal proceeding by or against the Issuer and/or its subsidiaries, involving a claim amounting to ten percent (10%) or more of the Issuer's total current assets or any legal proceeding against its President and/or any member of its Board of Directors in their capacity as such;
- c. Changes in the Issuer's corporate purpose and any material alterations in the Issuer's activities or operations or the initiation of new ones;
- d. Resignation or removal of directors, officers or senior management and their replacements and the reasons for such;
- e. Any decision taken to carry out extraordinary investments or the entering into financial or commercial transactions that might have a material impact on the Issuer's situation;
- f. Losses or potential losses, the aggregate of which amounts to at least ten percent (10%) of the consolidated total assets of the Issuer;
- g. Occurrence of any event of dissolution with details in respect thereto;
- h. Acts and facts of any nature that might seriously obstruct the development of corporate activities, specifying its implications on the Issuer's business;
- i. Any licensing or franchising agreement or its cancellation which may materially affect the Issuer's operations;
- j. Any delay in the payment of debentures, negotiable obligations, bonds or any other publicly traded security;
- k. Creation of mortgages or pledges on assets exceeding ten percent (10%) or more of the Issuer's total assets;

- l. Any purchase or sale of stock or convertible debt securities of other companies when the amount is ten percent (10%) or more of the Issuer's total assets;
- m. Contracts of any nature that might limit the distribution of profits, with copies thereof;
- n. Facts of any nature that materially affect or might materially affect the economic, financial or equity situation of those companies controlling, or controlled by the Issuer including the sale of or the constitution of sureties/pledges on a substantial part of its assets;
- o. Authorization, suspension, retirement or cancellation of the listing of the Issuer's securities on an exchange or electronic marketplace domestically or abroad;
- p. Fines of more than ₱50,000.00 and/or other penalties on the Issuer or on its subsidiaries by regulatory authorities and the reasons therefor;
- q. Merger, consolidation or spin-off of the Issuer;
- r. Any modification in the rights of the holders of any class of securities issued by the Issuer and the corresponding effect of such modification upon the rights of the holders;
- s. Any declaration of cash dividend, stock dividend and pre-emptive rights by the Board of Directors;
- t. Any change in the Issuer's fiscal year and the reason(s) therefor;
- u. All resolutions, approving material acts or transactions, taken up in meetings of the Board of Directors and Stockholders of the Issuer;
- v. A joint venture, consolidation, acquisition, tender offer, take-over or reverse take-over and a merger;
- w. Capitalization issues, options, directors/officers/employee stock option plans, warrants, stock splits and reverse splits;
- x. All calls to be made on unpaid subscriptions to the capital stock of the Issuer;

- y. Any change of address and contact numbers of the registered office of the Issuer;
- z. Any change in the auditors of the Issuer and the corresponding reason for such change;
- aa. Any proposed amendment to the Articles of Incorporation and By-Laws and its subsequent approval by the Commission;
- bb. Any action filed in court, or any application filed with the Commission, to dissolve or wind-up the Issuer or any of its subsidiaries, or any amendment to the Articles of Incorporation shortening its corporate term;
- cc. The appointment of a receiver or liquidator for the Issuer or any of its subsidiaries;
- dd. Any acquisition of shares of another corporation or any transaction resulting in such corporation becoming a subsidiary of the Issuer;
- ee. Any acquisition by the Issuer of shares resulting in its holding ten percent (10%) or more of the issued and outstanding shares of another Issuer or where the total value of its holdings exceed five percent (5%) of the net assets of an unlisted corporation;
- ff. Any sale made by the Issuer of its shareholdings in another listed or unlisted corporation: (1) resulting in such corporation ceasing to be its subsidiary; or (2) resulting in its shareholding falling below ten percent (10%) of the issued capital stock;
- gg. Firm evidence of significant improvement or deterioration in near-term earnings prospects;
- hh. The purchase or sale of significant assets amounting to ten percent (10%) or more of the Issuer's total assets otherwise than in the ordinary course of business;
- ii. A new product or discovery;
- jj. The public or private sale of additional securities;
- kk. A call for redemption of securities;

- ll. The borrowing of a significant amount of funds not in the ordinary course of business;
- mm. Default of financing or sale agreements;
- nn. Deviation from capital investment funds equivalent to twenty percent (20%) of the original amount appropriated;
- oo. Disputes with subcontractors, customers or suppliers or with any other parties;
- pp. An increase or decrease by ten percent (10%) in the monthly, quarterly and annual revenues on a year-on-year basis.

*Note: In addition to the above, the Issuer may also refer to the SEC Form 17-C for other disclosable matters.*

**SECTION 4.5. Duty of the Issuer to Clarify Non-Public Material** - Upon its receipt of any material non-public information, the Exchange shall request the Issuer concerned to confirm or deny the veracity of the said information (e.g. newspaper/newswire reports, information coming from third parties, broker's market letter, etc.) pertaining to the Issuer or any of its subsidiaries.

*Note: Public circulation of information, which has not yet been disclosed and/or insufficiently disclosed by the Issuer, and which may likely affect market activity, must be promptly clarified or confirmed by the Issuer in accordance with the instructions/guidelines issued by the Exchange. This is to prevent the creation of a false market.*

*If any of its directors or officers are attributed as the source, the Issuer should substantiate or make an official disclosure. If what is reported is erroneous, the Issuer should issue an announcement and clarify the information reported.*

If the request for confirmation is made by the Exchange prior to the pre-open period of the said Trading Day, the Issuer must reply prior to the start of the said pre-open period.

However, if the Exchange makes a request for confirmation after trading hours, the Issuer must reply prior to the start of the pre-open period of the next Trading Day.

The Exchange shall impose a trading halt on the securities of the Issuer if it fails to confirm or deny the veracity of the said material non-public information. The halt shall be lifted at 10:00 a.m. even in the absence of any reply from the Issuer verifying or clarifying the material information. The Exchange



must receive the Issuer's reply not later than 11:00 a.m. of the same Trading Day. If by 11:00 a.m., the Issuer fails to reply or should the reply fail to sufficiently clarify the material information requested by 11:00 a.m., it shall be fined the amount of Thirty Thousand Pesos (₱30,000.00). Thereafter, the Issuer shall be fined the additional amount of Ten Thousand Pesos (₱10,000.00) for every thirty (30) minutes of delay.

The imposition of the foregoing penalties shall be without prejudice to the imposition of penalty/ies for non-disclosure of material information after the same has been duly established and the need to pursue investigation of a possible violation of the anti-manipulative and anti-fraudulent provisions of the SRC.

**SECTION 5. Disclosure for Substantial Acquisitions & Reverse Takeovers -**

When an Issuer or its subsidiary has merged or consolidated with or otherwise acquires a direct or indirect interest in an unlisted company, person or group, and said interest is ten percent (10%) or more of the total book value of the Issuer, the trading of the securities of the Issuer shall be suspended until the terms and conditions of the transaction, and the details pertaining to the business or project acquired are actually disclosed and, if applicable, the latest audited financial statements of the unlisted company, are submitted to the Exchange.

The foregoing, however, shall not apply to cases where the Issuer has merged or consolidated with or otherwise acquires an interest in its existing subsidiary(ies).

*Note: This provision is applicable to substantial acquisitions by the Issuer of interests in an unlisted company resulting to the issuance of shares by the unlisted company in exchange for the Issuer's cash and/or assets (i.e. property).*

*For acquisitions/transactions resulting to issuance of shares by the Issuer (i.e. private placements, property-for-share swaps), the rule on Additional Listing of Securities (Article V, Part A of the Listing Rules), particularly Sections 3 and 4 thereof, will apply.*

*Notwithstanding the foregoing, the Revised Rules on Backdoor Listing (see **Supplemental Rule 7**) will apply for any acquisition by an unlisted company of shares in the Issuer which results in change in control or de facto control, or substantial change in the business, of the Issuer.*

**SECTION 6. Disclosure of Dividend Declarations** - The Issuer must disclose to the Exchange dividend declarations as approved by its Board of Directors and shareholders in accordance with Section 4.1 above.

**SECTION 6.1. Disclosure of Record Date** - The Issuer must set the record date in accordance with the Rules of the Commission and when appropriate, of

the Rules of the Bangko Sentral ng Pilipinas. The disclosure of the record date must not be less than ten (10) Trading Days from the said date.

**SECTION 6.2. Determination of Payment Date** - The Issuer must set the Payment Date in accordance with the rules of the Commission and when appropriate, of the Rules of the Bangko Sentral ng Pilipinas.

*Note: For all cash and stock dividends accruing to shares lodged with the PDTC, whether from unissued capital or resulting from an increase in capital stock, the same shall be remitted/credited to the PDTC for immediate distribution to its participants not later than eighteen (18) Trading Days from the record date set by the Commission. (Guidance Note 16 – PSE Memo for Brokers No. 268-2002 dated 14 November 2002 re: Amendment to Section 10, Article XII (Stock Dividends), Listings and Disclosure Rules)*

*On the other hand, for cash accruing to shares **not** lodged with the PDTC, the same shall be remitted/credited directly to the individual stockholders not later than eighteen (18) Trading Days from the record date set by the Commission. (Guidance Note 17 – PSE Memo for Brokers No. 38-2003 dated 6 February 2003 re: Deadline of Remittance of Cash Dividends Accruing to Shares not Lodged in PCD)*

*Further, the payment date shall not be more than eighteen (18) Trading Days from the record date. (Guidance Note 18 – PSE Memorandum No. 2008-0315 dated 30 June 2008 re: Disclosure of Record and Payment Date for Dividend Declarations)*

*Listed 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. (Guidance Note 19 – PSE Memorandum No. 2009-0272 dated 13 May 2009 re: SEC Memorandum Circular No. 2 Series of 2009)*

**SECTION 7. Disclosure on Stockholders' Meeting** - For the holding of any stockholders' meeting, the Exchange must be given a written notice thereof at least ten (10) Trading Days prior to the record date fixed by the Issuer. The notice must include all the necessary details including the time, venue, and agenda of the meeting and the inclusive dates when the stock and transfer books will be closed. The Issuer shall further submit within five (5) Trading Days after the record date the list of stockholders who are entitled to notice and to vote at a regular or special stockholders' meeting.

*Note: The Issuer shall hold an annual/regular meeting of stockholders on a date fixed in its By-Laws. Any postponement of the scheduled meeting of stockholders, the reason(s) for such postponement and the next schedule of the stockholders' meeting must be disclosed to the Exchange.*

**SECTION 8. Disclosure of the Amendments to the Articles of Incorporation and By-Laws** - Upon approval by the Commission of the amendment to the Articles of Incorporation and By-Laws of an Issuer, the following should be submitted to the Exchange within two (2) Trading Days:

- a. SEC Certified True Copy of the Amended Articles of Incorporation and By-Laws; and
- b. Detailed procedure to be undertaken by the Issuer in amending its stock certificates, if required.

*Note: Copies of the Amended Articles of Incorporation and By-Laws are submitted as attachments to the Issuer's disclosure on the Commission's approval. The procedures in updating stock certificates are usually submitted prior to or simultaneous with the Commission's approval so that the corresponding adjustments will be effected immediately.*

**SECTION 9. Disclosure of Acquisition of Outstanding Shares and Sale of Treasury Shares** - The Issuer must promptly disclose any planned acquisition of its shares or disposition of treasury shares. In addition, the Issuer must submit a disclosure regarding the actual number of shares and the transaction price for each acquisition or disposition of its own shares prior to the pre-open period of the next Trading day after the transaction was executed. The planned acquisition or disposition must likewise be in accordance with the rules and regulations of the Commission.

**SECTION 10. Disclosure of Acquisition by the Issuer's Subsidiaries, Affiliates and Others** - The Issuer must submit a disclosure to the Exchange regarding the actual number of shares and the transaction price for each acquisition or disposal of the Issuer's shares by its subsidiaries, affiliates or entities controlled or managed by the Issuer prior to the pre-open period of the next Trading Day after the transaction was executed or such other related information that the Exchange may require.

**SECTION 11. Disclosure of Pending Release of Shares Held Under Voluntary Lock-up** - The Issuer must notify the Exchange of the release of the shares held under escrow not earlier than fifteen (15) Trading Days but not later than ten (10) Trading Days before the end of the voluntary lock-up period.

**SECTION 12. Disclosure on Change of Stock Transfer Agent** - The Issuer must notify the Exchange on or before the pre-open period of the next Trading Day of a decision to terminate the services of its Stock Transfer Agent and the reasons for such termination. The notice should in any case be filed with the Exchange no later than thirty (30) days prior to the effectivity of the termination.

A new Stock Transfer Agent should be engaged by the Issuer no later than ten (10) Trading Days prior to the effectivity date of the termination of services of the original Stock Transfer Agent. Notice to the Exchange that the Issuer has engaged a new Transfer Agent must be filed within the same period. Upon failure to comply with this

requirement, the Exchange shall suspend trading of securities of the Issuer which shall be lifted upon receipt of notice of the engagement of a new Stock Transfer Agent.

**SECTION 13. Disclosure on Transactions of Directors and Principal Officers in the Issuer's Securities -**

**SECTION 13.1.** Notwithstanding Section 17.5 of these Rules, Issuers must disclose to the Exchange the direct and indirect ownership of its directors and principal officers in its securities within five (5) Trading Days after:

*Note: The above provision was amended to change the deadline for submission from two (2) Trading Days to five (5) Trading Days. (See **Supplemental Rule 10** – PSE Memo for Brokers No. 066-2004 dated 2 April 2004 re: Revision to Section 13.1. of the Revised Disclosure Rules)*

- a. The Issuer's securities is first admitted in the Official Registry of the Exchange;
- b. a Director is first elected or an Officer is appointed; or

*Note: The Issuer is required to disclose even if such director or officer has no beneficial ownership in the Issuer.*

- c. any acquisition, disposal, or change in the shareholdings of the Directors and Officers.

*Note: This requirement is separate and distinct from the reportorial requirements under SRC Rule 23. In addition to the submission of SEC Forms 23-A and 23-B, an Issuer must also submit the disclosure required in Section 13.1 to the Exchange*

**SECTION 13.2.** A Director or a Principal Officer of an Issuer must not deal in the Issuer's securities during the period within which a material non-public information is obtained and up to two (2) full Trading Days after the price sensitive information is disclosed.

**SECTION 14. Company and Analysts'/Investors' Briefings** – Issuer(s) must notify the Exchange of its company and analysts'/investors' briefings at least three (3) Trading Days prior to the scheduled date.

**SECTION 15. Unusual Trading Activity** – Unusual trading activity involving an Issuer's securities which occurs without any apparent reason gives rise to the presumption that there is insider trading or a rumor or report, whether true or false, about the Issuer.

Whenever there is unusual trading activity in an Issuer's securities, the Issuer must respond promptly to any inquiry made by the Exchange concerning the unusual trading activity. In this connection:

- a. If the unusual trading activity results from the "leak" of material information, the information in question must be announced promptly. If the unusual trading activity results from a false rumor or report, the Exchange's policy on correction of such rumors and reports should be complied with; and
- b. If the listed Issuer is unable to determine the cause of the unusual trading activity, it must make a disclosure to the Exchange to the effect that there are no undisclosed recent developments affecting the Issuer that would account for the unusual trading activity.
- c. Any response made by the authorized Corporate Information Officer of an Issuer is presumed to have been made after consulting the Chairman of the Board, President or Corporate Secretary of the Issuer.

**SECTION 16. Update of Prior Statements** - Should subsequent events make a prior disclosure inaccurate, the Issuer has the duty to update and correct prior disclosures within ten (10) minutes after receipt of the updated information or upon determination of the discrepancy. Disclosure procedures under Section 4.1 shall apply.

*Note: The Issuer is required to disclose updates, clarifications or corrections regarding prior disclosures that are no longer accurate and have been superseded by subsequent events. Progress and/or developments regarding corporate actions, transactions or agreements entered into by listed companies are likewise required to be disclosed.*

**SECTION 17. Structured Continuing Disclosure Requirements for Listed Companies, Purpose** - The purpose for requiring structured disclosures is to assure the public availability of continuing adequate information on listed companies.

**SECTION 17.1. General Definition** - Structured continuing disclosures are the periodic reportorial requirements required by the Commission and the Exchange.

**SECTION 17.2. Submission of Periodic and Other Reports by Listed Companies to the Exchange** - Issuers shall file with the Exchange the following periodic and other reports:

- a. **Annual Report:** An annual report using SEC Form 17-A within one hundred five (105) days after the end of the fiscal year, or such other time as the Commission by rule shall prescribe; and

*Note: Requests for extension of deadline for filing of Annual Reports shall be accepted by the Exchange only if it follows the recommended format (see attachments in **Guidance Note 20**). Requests for extension using SEC Form 17-L (Notification of Inability to File All or Any Portion of SEC Form 17-A or 17-Q) shall not be accepted.*

*For Annual Reports, an additional period of fifteen (15) calendar days, or immediately upon submission to the Commission, whichever is earlier, may be granted. 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.*

*The deadline for filing of request for extension shall be on the day of the original deadline for submission of the report. (**Guidance Note 20** – PSE Memorandum No. 2009-0214 dated 8 April 2009 re: Guidelines for requesting extension of deadline for filing Annual and Quarterly Reports)*

- b. **Three (3) Quarterly Reports**, within forty-five (45) days from end of the first three (3) quarters of the fiscal year, the SEC Form 17-Q format shall be used. Issuers must include a schedule of aging of accounts receivables in their SEC Form 17-Q submitted to the Exchange.

*Note: For requests for extension of deadline for filing of Quarterly Reports, the recommended format should be used (see the attachments in **Guidance Note 20**). Requests for extension using SEC Form 17-L (Notification of Inability to File All or Any Portion of SEC Form 17-A or 17-Q) shall not be accepted. An additional period of five (5) calendar days, or immediately upon submission to the Commission, whichever is earlier, may be granted. 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. The deadline for filing of request for extension shall be on the day of the original deadline for submission of the report. (see **Guidance Note 20**)*

- c. **Other Periodical Reports Prescribed by the Commission:** Such other periodical reports for interim fiscal periods and current reports on significant developments of the Issuer as the Commission may prescribe as necessary to update and keep current information on the operation of the business and financial condition of the Issuer.

**SECTION 17.3. Form of Periodic Report** - All reports (including financial statements) required to be filed with the Commission and the Exchange pursuant to Section 17.2 hereof shall be in such form, contain such information and be filed at such times as the Commission by rule shall prescribe, and in lieu of any periodical or current reports or financial statements otherwise required to be filed under the Corporation Code.

**SECTION 17.4. Furnishing of Annual Report to Shareholders** - Every Issuer shall furnish to each holder of such equity security an annual report in such form and containing such information as the Commission by rule shall prescribe.

**SECTION 17.5. Reports on Beneficial Ownership** - Any person who is directly or indirectly the beneficial owner of any equity security of a listed Issuer or is a director, officer or principal stockholder thereof shall submit the necessary reports in accordance with the requirements of Sections 18 and 23, as the case may be, of the SRC.

*Note: The Disclosure Rules also require the submission of Beneficial Ownership Reports, pursuant to the SRC Rule 18 or 23, as the case may be, of the direct and indirect ownership of the directors, officers or principal stockholders thereof of any equity security of an Issuer. Any amendments to these forms should likewise be reported and submitted to the Exchange.*

**SECTION 17.6. Report on the Number of Shareholders** - The Issuer is required to submit to the Exchange a report on the number of its shareholders owning at least one (1) board lot each. The report must be filed with the Exchange within five (5) Trading Days after the close of each calendar month.

**SECTION 17.7. Amendments in Reports** - If any material change occurs in the facts set forth in the beneficial ownership reports, such amendment shall be transmitted to the Issuer, the Exchange and the Commission in accordance with such rules and regulations as the Commission may prescribe as necessary or appropriate in the public interest or for the protection of investors.

For all other reports, any amendments thereof shall be transmitted to the Exchange and the Commission.

**SECTION 17.8. Sanctions for Non-Compliance with Certain Structured Reportorial Requirements** - The following sanctions shall be imposed for failure to comply with the following structured reportorial requirements of the Exchange:

**(a) Annual Report using SEC Form 17-A**

- (1) An Issuer must submit its Annual Report using SEC Form 17A within one hundred five (105) calendar days after the end of the fiscal year or any valid extension thereof.
- (2) Should the Issuer fail to submit the required report, the Exchange shall impose a basic fine in accordance with the Scale of Fines for Non-compliance with the Reportorial Requirements of the Exchange. In addition, the Exchange shall commence imposing the daily fine for each day of non-compliance in accordance with the said Scale of Fines for a period of fifteen (15) calendar days. No earlier than the tenth (10<sup>th</sup>) calendar day prior to the lapse of the said fifteen (15) calendar day period, the Exchange shall warn the Issuer that the Trading Participants and the investing public shall be notified, through a circular, of the fact of its non-compliance with a further warning that failure to comply with the requirements of the Exchange shall result in the automatic suspension of the trading of the company's shares for a maximum period of three (3) months. During the three (3) month suspension period, the daily fine shall not be applied.

*Note: The impossible penalties and fines are set forth in Section 1 of Article VIII of these Rules.*

- (3) After the lapse of the suspension period and the Issuer still failed to comply with the reportorial requirement, the Exchange shall initiate delisting procedures.
- (4) Should the Issuer, on the other hand, be able to submit its Annual Report but fail to pay the basic fine, a fine for each day of non-payment, in accordance with the Scale of Fines for Non-compliance with the Reportorial Requirements of the Exchange, shall be imposed for a period of fifteen (15) days. In addition to the foregoing, the Issuer shall be considered delinquent by the Exchange. Thus, any application for additional listing of a delinquent company shall not be processed until it has been cleared of its penalty in arrears. Likewise, any request for issuance of clearance or certificate of good standing shall not be entertained by the Exchange. Should the Issuer still fail to settle its obligation to pay the basic fine and attendant daily fines, the trading of the shares of the delinquent company shall be



automatically suspended for a maximum period of three (3) months. Upon the expiration of the said three (3) month period, the Exchange shall initiate delisting procedures.

**(b) Quarterly Report Using SEC Form 17-Q**

- (1) An Issuer must submit its Quarterly Report using SEC Form 17-Q within forty-five (45) calendar days after the end of the quarter or any valid extension thereof.
- (2) Should the Issuer fail to submit the required report, the Exchange shall impose a basic fine in accordance with the New Scale of Fines for Non-compliance with the Reportorial Requirements of the Exchange. In addition, the Exchange shall commence imposing the daily fine for each day of non-compliance, in accordance with the said Scale of Fines within a period of ten (10) calendar days. No earlier than the fifth (5<sup>th</sup>) calendar day prior to the lapse of the said ten (10) calendar day period, the Exchange shall warn the Issuer that the Trading Participants and the investing public shall be notified, through a circular, of the fact of its non-compliance with a further warning that failure to comply with the requirement of the Exchange shall result in the automatic suspension of the trading of the Issuer's shares for a maximum period of two (2) months. During the two (2) month suspension period, the daily fine shall not be applied.

*Note: The imposable penalties and fines set forth in Section 1 of Article VIII of these Rules.*

- (3) After the lapse of the suspension period and the Issuer still failed to comply with the reportorial requirement, the Exchange shall initiate delisting procedures.
- (4) Should the Issuer, on the other hand, be able to submit its Quarterly Report but fail to pay the basic fine, a fine for each day of non-payment, in accordance with the New Scale of Fines for Non-compliance with the Reportorial Requirements of the Exchange, shall be imposed for a period of ten (10) calendar days. In addition to the foregoing, the Issuer shall be considered delinquent by the Exchange. Thus, any application for additional listing of a delinquent company shall not be processed until it has been cleared of its penalty in arrears.

Likewise, any request for issuance of clearance or certificate of good standing shall not be entertained by the Exchange. Should the Issuer still fail to settle its obligation to pay the basic fine and attendant daily fines, the trading of the shares of the delinquent company shall be automatically suspended for a maximum period of two (2) months. Upon expiration of the said two (2) month period, the Exchange shall initiate delisting procedures.

**SECTION 17.9. Compliance with Corporation Code Reportorial Requirement** - Listed companies whose securities are traded on the Exchange shall also file with the Exchange the following reports in compliance with reportorial requirements of the Corporation Code of the Philippines:

- a. A Report filed on SEC Form 17-A is deemed compliance with Section 141 of the Corporation Code of the Philippines;
- b. A Report filed on SEC Form 17-C is deemed compliance with Section 26 of the Corporation Code of the Philippines; and
- c. A Report furnished to security holders pursuant to Section 3 of SRC Rule 20 is deemed compliance with Section 75 of the Corporation Code of the Philippines.

*Note: Section 141 of the Corporation Code requiring submission by every corporation lawfully doing business in the Philippines of an annual report of its operations has been superseded by Section 177 of the Revised Corporation Code which now requires submission of annual financial statements, general information sheet (GIS), and, for corporations vested with public interest, a director compensation report and director appraisal or performance report, in addition to the annual financial statements and GIS.*

*Section 26 of the Corporation Code is now Section 25 of the Revised Corporation Code,*

*Section 75 of the Corporation Code is now Section 74 of the Revised Corporation Code.*

**SECTION 17.10. Adoption by the Exchange of SRC Rules 12 and 68 on Non-Financial and Financial Statement Portions of Reports** - The Exchange hereby adopts the Requirements for Filings pursuant to the SRC on the requirements applicable to the content of the Issuer's non-financial and financial statement portions of:

- a. Registration statements for the sale and/or distribution of securities pursuant to the provisions of Sections 8 and 12 of the SRC and SRC Rule 8 thereunder. Registration Statements under Section 12 of the SRC shall be filed on SEC Form 12-1.
- b. Prospectuses to be used in connection with the public distribution of securities pursuant to Section 8 of the SRC and SRC Rule 8-1.1 thereunder.
- c. Periodic and other reports required under Section 17 of the SRC to be filed with the Commission as provided in SRC Rules 17 and 17-1 and SEC Forms 17-Q, 17-A, 17-C, and 17-L, as appropriate, unless exempt from the provisions thereof.

*Note: Please see related note in Section 17.2 above.*

- d. Proxy and information statements required by Section 20 of the SRC, and SRC Rules 20 adopted pursuant thereto, filings of which shall be made on SEC Forms 20-A and 17-IS.
- e. Any other documents required to be filed under the terms of SRC Rule 12, which filings shall be made on SEC Forms specified in rules pertinent thereto, as provided in these Rules.

**SECTION 17.11. Submission of List of Stockholders** - The Issuer shall submit to the Exchange the list of stockholders who are entitled to notice and to vote at a regular or special stockholders meeting not later than five (5) Trading Days after the record date fixed by the Issuer for the holding of such meeting in a format as prescribed by the Exchange.

**SECTION 17.12. Submission of List of Top 100 Stockholders** - All listed companies shall submit to the Exchange a list of their top one hundred (100) stockholders on a quarterly basis. The list shall be submitted to the Disclosure Department within fifteen (15) days after the end of each quarter.

In the submission of the List of Top 100 stockholders, listed companies must furnish the Exchange the names of the broker, dealer, investment house, voting trustee, bank, association, or other entity that exercises fiduciary power in nominee name or otherwise. "PCD Nominee Corporation" will not anymore be accepted by the Exchange as a valid entry in the list. For this purpose, the PCD shall be requested to furnish the list of PCD Participants to the concerned Issuers to enable them to comply with the foregoing requirement.

**SECTION. 17.13. Report on Foreign Ownership -**

- a. Issuers with unclassified shares with foreign ownership limits shall submit to the Exchange on a monthly basis not later than the last working day of the first week of every month, the basic information that will enable the Exchange to show the exact number of shares in the hands of foreign shareholders on a real time basis using the prescribed form (PSE Form ATG 1-98). Issuers may mandate their transfer agent to submit directly the aforesaid form to the Exchange.

*Note: Listed companies are required to submit monthly foreign ownership reports via the PSE EDGE. Shares update (on listed and unlisted shares) 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. (Guidance Note 21 - PSE Memo for Brokers No. 537-2007 dated 8 November 2007 re: Updating of Monthly Foreign Ownership Level)*

*In addition to the report required under Section 17.13, effective 2 July 2007, Issuers with unclassified shares and foreign ownership limits are required to update their securities information using the Submit Shares Information of the PSE EDGE not later than 4:00 p.m. of each Trading Day whenever there are changes in the amount of foreign shareholdings. The report shall include basic information showing the exact number of shares in the hands of foreign and local shareholders (Guidance Note 22 - PSE Memo for Brokers No. 249-2007 dated 15 June 2007 re: Updating of Foreign Ownership Level). Said update should include the number of unlisted shares in the hands of foreign and local shareholders. (Guidance Note 23 - PSE Memo for Brokers No. 437-2007 dated 24 September 2007 re: Updating of Foreign Ownership Level)*

- b. Issuers whose shares are either already classified into Class A and B shares, or can be owned entirely by the foreigners or cannot be owned at all by foreigners are exempt from this rule.

**SECTION 17.14. Annual Verification of the Bureau of Mines -**

Mining companies whose securities are listed in the Exchange are required to submit on or before the end of March of each calendar year, a Certification from the Bureau of Mines and Geosciences of the following facts: (a) that the listed mining company's properties are still valid and subsisting and that said properties are being developed according to the work program of the mining company; (b) that the listed mining company's claims/leases are still valid at the time of certification, with a disclosure of all liens and encumbrances.

*Note: The Bureau of Mines has been renamed Mines and Geosciences Bureau.*

**SECTION 17.15. Annual Verification of the Department of Energy -** Petroleum Service Contractors whose securities are listed in the Exchange are required to submit on or before the end of March of each calendar year, a Certification from the Department of Energy (the "DOE") that their Service Contracts are still valid and subsisting and that it has no pending violations with the DOE.