

**NON-FINANCIAL DISCLOSURE REQUIREMENTS**

PART I BUSINESS

(A) Description of Business.

(1) Business Development

Describe the development of the business of the registrant and its significant subsidiaries during the past three (3) years, or such shorter period as the registrant may have been engaged in business. If the registrant has not been in business for three years, give the same information for predecessor(s) of the registrant if there is any. This business development description should include, for the registrant and its subsidiaries, the following:

- (a) Form and *date* of organization;
- (b) Any bankruptcy, receivership or similar proceeding; and
- (c) Any material reclassification, merger, consolidation, or purchase or sale of a significant amount of assets not in the ordinary course of business.

(2) Business of Issuer: This section shall describe in detail what business the registrant does and proposes to do, including what products or goods are or will be produced or services that are or will be rendered.

(a) Description of Registrant

Briefly describe the business of registrant and its significant subsidiaries and include, to the extent material to an understanding of the registrant:

- (i) Principal products or services and their markets indicating the relative contribution to sales or revenues of each product or service, or group of related products or services, which contribute ten percent (10%) or more to sales or revenues. If the relative contribution to net income of any product or service, or group of related products or services, is substantially different than its relative contribution to sales or revenues, appropriate information should be given;
- (ii) Percentage of sales or revenues and net income contributed by foreign sales (broken down into major markets such as western Europe, Southeast Asia, etc.) for each of the last three years;
- (iii) Distribution methods of the products or services;
- (iv) Status of any publicly-announced new product or service (e.g. whether in the planning stage, whether prototypes exist), the degree to which product design has progressed or whether

further engineering is necessary. Indicate if completion of development of the product would require a material amount of the resources of the registrant, and the estimated amount;

- (v) Competition. Describe the industry in which the registrant is selling or expects to sell its products or services, and where applicable, any recognized trends within that industry. Describe the part of the industry and the geographic area in which the business competes or will compete. Identify the principal methods of competition (price, service, warranty or product performance). Name the principal competitors that the registrant has or expects to have in its area of competition. Indicate the relative size and financial and market strengths of the registrant's competitors. State why the registrant believes that it can effectively compete with other companies in its area of competition.
- (vi) Sources and availability of raw materials and the names of principal suppliers; If the registrant is or is expected to be dependent upon one or a limited number of suppliers for essential raw materials, energy or other items, describe. Describe any major existing supply contracts.
- (vii) Disclose how dependent the business is upon a single customer or a few customers, the loss of any or more of which would have a material adverse effect on the registrant and its subsidiaries taken as a whole. Identify any customer that accounts for, or based upon existing orders will account for, twenty percent (20%) or more of the registrant's sales; Describe any major existing sales contracts;
- (viii) Transactions with and/or dependence on related parties;
- (ix) Summarize the principal terms and expiration dates of all patents, trademarks, copyrights, licenses, franchises, concessions, and royalty agreements held; Indicate the extent to which the registrant's operations depend, or are expected to depend, on the foregoing and what steps are undertaken to secure these rights;
- (x) Need for any government approval of principal products or services. If government approval is necessary and the registrant has not yet received that approval, discuss the status of the approval within the government approval process;
- (xi) Effect of existing or probable governmental regulations on the business;
- (xii) Indicate the amount spent on research and development activities, and its percentage to revenues during each of the last three fiscal years;
- (xiii) Costs and effects of compliance with environmental laws;

- (xiv) State the number of the registrant's present employees and the number of employees it anticipates to have within the ensuing twelve (12) months. Indicate the number by type of employee (i.e. clerical, operations, administrative, etc.), whether or not any of them are subject to collective bargaining agreements (CBA) and the expiration dates of any CBA. If the registrant's employees are on strike, or have been in the past three (3) years, or are threatening to strike, describe the dispute. Indicate any supplemental benefits or incentive arrangements the registrant has or will have with its employees;
- (xv) ***Discuss the major risk/s involved in each of the businesses of the company and subsidiaries. Include a disclosure of the procedures being undertaken to identify, assess and manage such risks.***

(b) Additional Requirements as to Certain Issues or Issuers

(i) Debt Issues

A statement that the registrant's net worth exceeds P25 million, and if unsecured bonds are to be issued, that the registrant has been in business for three years, unless the Commission based upon a consideration of all aspects of the matter, determines that it would not be inconsistent with the public interest to permit a variation of these provisions.

(ii) Investment Company Securities

- A. a statement of its proposed operation including the proposed investment objectives and initial investment plans;
- B. a description and copies of proposed management contracts, distributorship, underwriting and escrow or custodial agreements, and such other contracts pertaining to the investment, management or sale of securities;
- C. a statement of total fees to be charged;
- D. description of involvement, if any, by management or by members of the Board of Directors in companies in which the investment company will be dealing. A certification concerning such **involvement**, under oath, by the President and Chairman of the Board, or their equivalent in rank, shall accompany the registration statement.
- E. an undertaking that **the applicant** applied has complied with applicable requirements under the Investment Company Act and rules adopted thereunder regarding:
  - 1. its form of organization;

2. minimum subscribed and paid-in capital;
3. composition of Board of Directors;
4. composition of capital stock (common and voting shares);
5. the waiver of preemptive rights of shareholders in its Articles of Incorporation.

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*Instructions for Part I, Paragraph (A)(2)(b)(ii)*

*Investment Companies are regulated by the Investment Company Act and rules and regulations adopted thereunder. The provisions of subparagraph E. above are, pursuant to that rule, incorporate conditions for the approval of a registration statement for securities of an investment company. The provisions of SRC Rule 12 govern registration statements concerning Investment Companies. Definitions in ICA Rule 35-1 govern the use of similar terms used in this Annex pertaining to investment companies.*

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(iii) Mining and Oil Companies

A statement describing the areas covered by registrant's mining claims, status of the application and work performed on the claims, if any.

(B) Description of Property.

Give the location and describe the condition of the principal properties (such as real estate, plant and equipment, mines, patents, etc.) that the registrant and its subsidiaries own. **Disclose any mortgage, lien or encumbrance over the property and describe the limitations on ownership or usage over the same.** Indicate also what properties it leases, the amount of lease payments, expiration dates and the terms of renewal options. Indicate what properties the registrant intends to acquire in the next twelve (12) months, the cost of such acquisitions, the mode of acquisition (i.e. by purchase, lease or otherwise) and the sources of financing it expects to use;

(C) Legal Proceedings.

Describe briefly any material pending legal proceedings to which the registrant or any of its subsidiaries or affiliates is a party or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities or any other entity.

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*Instructions to Part I Paragraph C*

*A proceeding that primarily involves a claim for damages does not need to be described if the amount involved, exclusive of interest and costs, does not exceed 10% of the current assets of the registrant.*

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## PART II SECURITIES OF THE REGISTRANT

### (A) Market Price of and Dividends on Registrant's Common Equity and Related Stockholder Matters

#### (1) Market Information

(a) Identify the principal market or markets where the registrant's common equity is traded. State if there is no public trading market.

(i) If the principal market for the registrant's common equity is a Stock Exchange in the Philippines or a foreign Exchange, state the name of that Exchange and give the high and low sales prices for each quarter within the last two fiscal years and any subsequent interim period for which financial statements are required by SRC Rule 68. If the prices stated are from a foreign Exchange, they shall be stated in the currency in which they are quoted. The registrant may translate such prices into Philippine currency at the official currency exchange rate in effect on the date the price disclosed was reported on the foreign exchange, including disclosure of the exchange rate used for the calculation.

(ii) If the principal market is not an Exchange, state the frequency with which trading occurs; if sporadic, so state; give the range of high and low bid information for the registrant's common equity for each quarter within the last two fiscal years and any subsequent interim period for which financial statements are required by SRC Rule 68. Show the source of statements regarding frequency of trading and the high and low bid information.

(b) If the information called for by paragraph (A) of this Part is being presented in a registration statement filed pursuant to Section 12 or in an annual report filed pursuant to Section 17 or in an information statement filed pursuant to Section 20 of the Code, respectively, the document shall also include price information as of the latest practicable trading date, and, in the case of securities to be issued in connection with an acquisition, business combination or other reorganization, as of the trading date immediately prior to the public announcement of such transaction.

(c) If the information called for by paragraph (A) of this Part is being presented in a registration statement relating to a class of common equity for which at the time of filing there is no established public trading market in the Philippines, indicate the amounts of common equity:

(i) that is subject to outstanding options or warrants to purchase, or securities convertible into, common equity of the registrant;

- (ii) that is being or has been proposed to be publicly offered by the registrant, unless such common equity is being offered pursuant to an employee benefit or stock options plan, the offering of which could have a material effect on the market price of the registrant's common equity.

(2) Holders

- (a) Set forth the approximate number of holders of each class of common equity of the registrant as of the latest practicable date but in no event more than ninety (90) days prior to filing the registration statement. Include the names of the top twenty (20) shareholders of each class and the number of shares held and the percentage of total shares outstanding held by each.
- (b) If the information called for by this subparagraph (2) is being presented in a registration statement filed pursuant to Section 12, or an information statement filed pursuant to Section 20 of the Code, that relates to an acquisition, business combination or other reorganization, indicate the effect of such transaction on the amount and percentage of present holdings of the registrant's common equity owned beneficially by:
  - (i) any person or group who is known to the registrant to be the beneficial owner of more than five percent (5%) of any class of the registrant's common equity;
  - (ii) each director and nominee; and
  - (iii) all directors and officers as a group, and the registrant's present commitments to such persons with respect to the issuance of shares of any class of its common equity.
- (c) For purposes of subparagraph (2)(b)(i) hereof, the term "group" shall mean two or more persons acting as a partnership, limited partnership, syndicate or other group for the purpose of acquiring, holding or disposing of securities of an issuer.
- (d) If the information called for by this subparagraph (2) is being presented in a registration statement filed pursuant to Section 12 indicate the effect of such issuance on the amount and percentage of present holdings of the registrant's common equity holders. Indicate the effect of the issuance on the percentage of the registrant's securities beneficially owned by foreigners.

(3) Dividends

- (a) Discuss any cash dividends declared on each class of its common equity by the registrant for the two most recent fiscal years and any subsequent interim period for which financial statements are required to be presented by SRC Rule 68.

(b) Describe any restriction that limits the ability to pay dividends on common equity or that are likely to do so in the future.

(4) **Recent Sales of Unregistered or Exempt Securities, Including Recent Issuance of Securities Constituting an Exempt Transaction**

Furnish the following information as to all securities of the registrant sold by it within the past three (3) years which were not registered under the Code. Include sales of reacquired securities, as well as new issues, securities issued in exchange for property, services, or other securities, and new securities resulting from the modification of outstanding securities. Indicate whether the issuer received written confirmation from the Commission under SRC Rule 10.1 that such exemptive relief from registration was available and, if so, the date such confirmation was issued:

(a) **Securities Sold**

Give the date of sale and the title and amount of securities sold.

(b) **Underwriters and Other Purchasers**

Give the names of the underwriters, if any. If securities were not publicly offered, identify the persons or the class of persons to whom the securities were sold; *provided however*, in connection with securities sold under Section 10.1 of the Code and SRC Rule 10.1 (k) thereunder, disclose the date that the required notice of such sale was provided to the Commission.

(c) **Consideration**

For securities sold for cash, state the total offering price and the total underwriting discounts or commissions. For securities sold other than for cash, state the nature of the transaction and the type and amount of consideration received by the registrant.

(d) **Exemption from Registration Claimed**

Indicate the section of the Code or the rule or regulation under which an exemption from registration is claimed and state briefly the facts relied upon to make the exemption available.

(B) **Description of Registrant's Securities.**

(1) **Common or Preferred Stock**

(a) State the amount of capital stock of each class issued or included in the shares of stock to be offered:

(b) If the registrant is offering common equity, describe any dividend, voting and preemption rights.

(c) If the registrant is offering preferred stock, describe the dividend, voting, conversion and liquidation rights as well as redemption or sinking fund provisions.

- (d) Describe any other material rights of common or preferred stockholders.
- (e) Describe any provision in the charter or by-laws that would delay, defer or prevent a change in control of the registrant.

(2) Debt Securities

- (a) If debt securities are to be registered:
  - (i) state the amount of bonded indebtedness outstanding and to be created by the security to be offered;
  - (ii) describe provisions in respect to the maturity, interest rate, conversion, amortization, redemption, sinking fund or retirement;
  - (iii) if substitution of any security is permitted, summarize the conditions under which substitution is permitted. If substitution without notice is permitted, include a specific statement to that effect.
  - (iv) describe all other material provisions giving or limiting the rights of debtholders. For example, describe subordination provisions, limitations on the declaration of dividends, restrictions on the issuance of additional debt, maintenance of asset ratios, security (collateral), etc.
  - (v) give the name of any trustee(s) designated by the indenture and describe the circumstances under which the trustee is required to act on behalf of the debtholders;
  - (vi) ***disclose the company's financial ratios such as current, solvency, debt-to-equity ratios and/or other regulatory ratios that it must meet and maintain;***
  - (vii) ***describe the credit ratings received including the factors considered by the independent credit rating agency in arriving at the said rating.***

(3) Stock Options

If stock options are to be registered, the registration statement shall contain the following:

- (a) a listing of persons in whose favor the grant or issuance of options is to be made indicating the number of shares to be given to each or, if this cannot be ascertained at the time, the formula to be used in determining the number of shares, and the cost per share to the recipients;



- (b) the reasons for the grant or issuance, attaching therewith five (5) copies of the board resolution authorizing such;
- (c) a detailed statement as to the plan or scheme by which said options shall be exercised. If options can be exercised with less than forty percent (40%) of the total price of the shares so purchased, disclosure must be made of the method by which further payments of the exercise price will be made. If the company provides or arranges for loans to enable officers, directors or employees to exercise their options, the details of such arrangements shall be disclosed.
- (d) a certification from the Corporate Secretary stating that authorization for the options was approved in a stockholders meeting by stockholders holding at least 2/3 of the outstanding voting shares of the corporation, exclusive of Treasury shares. The certification shall also state the number of shares represented at the meeting and the number of shares voted for and against the proposal to grant options to the directors or managing groups or its officers.

(4) **Securities Subject to Redemption or Call**

Where convertible securities that are subject to redemption or call are being registered, the description of the conversion terms of the securities shall disclose:

- (a) Whether the right to convert or purchase the securities will be forfeited unless it is exercised before the date specified in a notice of the redemption or call;
- (b) The kinds, frequency and timing of notice of the redemption or call, including the cities or newspapers in which notice will be published (where the securities provide for a class of newspapers or group of cities in which the publication may be made at the discretion of the registrant, the registrant should describe such provision); and
- (c) In the case of bearer securities, that investors are responsible for making arrangements to prevent loss of the right to convert or purchase in the event of redemption or call, for example, by reading the newspapers in which the notice of redemption or call may be published.

(5) **Warrants**

- (a) ***The issuer shall disclose in its registration statement the terms and conditions of the warrants including computational data relative thereto.***
- (b) ***The following shall be disclosed:***

- i. *The par or issue value, class and number of the corresponding Underlying Shares;*
- ii. *The Exercise Price, or the formula for computing the same, or adjustments thereto;*
- iii. *Exercise Period and the Expiry Date of the Warrant;*
- iv. *The procedure for the exercise;*
- v. *Summary of the provisions contained in the Warrant Instrument.*
- vi. *The Exchange Ratio or the number of Underlying Shares which may be purchased under each Warrant.*

(6) Market Information for Securities Other Than Common Equity

Provide market information with respect to such securities comparable to that required in paragraph (A)(1) if securities other than common equity are to be registered and there is an established public trading market for such securities (as that term is used in paragraph (A)(1) of this Part II).

(7) Other Securities

If securities other than capital stock, debt, investment company securities, or stock options are to be registered, provide similar information concerning the material provisions of the securities.

### PART III FINANCIAL INFORMATION

(A) Management's Discussion and Analysis (MD&A) or Plan of Operation.

Registrants that have not had revenues from operations in each of the last two fiscal years, or the last fiscal year and any interim period in the current fiscal year for which financial statements are furnished in the disclosure document, ***shall in addition to applicable items under subparagraph (2)***, provide the information in subparagraph (1) hereof.

(1) Plan of Operation

Describe the plan of operation for the next twelve (12) months. This description should include such matters as:

- (a) a discussion of how long the registrant can satisfy its cash requirements and whether it will have to raise additional funds in the next twelve (12) months;
- (b) a summary of any product research and development that the registrant will perform for the term of the plan;

- (c) any expected purchase or sale of plant and significant equipment; and
- (d) any expected significant changes in the number of employees.

(2) Management's Discussion and Analysis

MD&A helps explain financial results. A reader of the MD&A should understand the financial results of the registrant's business as discussed in the "Business" section. It shall provide information with respect to liquidity, capital resources and other information necessary to understanding the registrant's financial condition and results of operation.

The discussion and analysis shall focus specifically on material events and uncertainties known to management that would cause reported financial information not to be necessarily indicative of future operating results or of future financial condition. This would include descriptions and amounts of matters that would have an impact on future operations and have not had an impact in the past, and matters that have had an impact on reported operations and are not expected to have an impact upon future operations.

**For both full fiscal years and interim periods, disclose the company's and its majority-owned subsidiaries' top five (5) key performance indicators. It shall include a discussion of the manner by which the company calculates or identifies the indicators presented on a comparable basis.**

(a) Full fiscal years

Discuss the registrant's financial condition, changes in financial condition and results of operations for each of the last three fiscal years. If the registrant's financial statement shows losses from operations, explain the causes of these losses and the steps the registrant has taken or is taking to address these causes. This discussion should address the past and future financial condition and results of operation of the registrant, with particular emphasis on the prospects for the future. The discussion should also address those key variable and other qualitative and quantitative factors which are necessary to an understanding and evaluation of the registrant. If material, the registrant should disclose the following:

- (i) Any known trends or any known demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the registrant's liquidity increasing or decreasing in any material way. The registrant shall indicate balance sheet conditions or income or cash flow items that it believes may be indicators of its liquidity condition. The following conditions shall be indicated: whether or not the registrant is having or anticipates having within the next twelve (12) months any cash flow or liquidity problems; whether or not the registrant is in default or breach of any note, loan, lease or other indebtedness or financing arrangement requiring it to make payments; whether or not a significant amount of the registrant's trade payables have not been paid within the stated trade terms. If a material deficiency is identified, the

course of action that the registrant has taken or proposes to take to remedy the deficiency should also be indicated. The registrant should identify and separately describe internal and external sources of liquidity, and briefly discuss any sources of liquid assets used.

The term "liquidity" refers to the ability of an enterprise to generate adequate amount of cash to meet its needs for cash. Liquidity generally must be discussed on both a long-term and short-term basis.

- (ii) **Any events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation;**
- (iii) **All material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period.**
- (iv) Any material commitments for capital expenditures, the general purpose of such commitments, and the expected sources of funds for such expenditures should be described;
- (v) Any known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations should be described. If the registrant knows of events that will cause material change in the relationship between costs and revenues (such as known future increases in cost of labor or materials or price increases or inventory adjustments), the change in the relationship shall be disclosed.
- (vi) Any significant elements of income or loss that did not arise from the registrant's continuing operations;
- (vii) The causes for any material change from period to period ***which shall include vertical and horizontal analyses of any material item;***

***The term "material" in this section shall refer to changes or items amounting to five percent (5%) of the relevant accounts or such lower amount, which the registrant deems material on the basis of other factors.***

- (viii) Any seasonal aspects that had a material effect on the financial condition or results of operations.

(b) Interim Periods

If interim financial statements are included in the registration statement or report, provide a comparable discussion that will enable the reader to assess material changes in financial condition and results

of operations since the end of the last fiscal year and for the comparable interim period in the preceding year.

***The company shall disclose the required information under subparagraph (2)(a)(i) to (viii) above.***

- (B) Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.
- (1) If during the registrant's two most recent fiscal years or any subsequent interim period, an independent accountant who was previously engaged as the principal accountant to audit the registrant's financial statements, or an independent accountant who was previously engaged to audit a significant subsidiary, ceased performing services for registrant, disclose the name of the previous accountant ***or the handling partner in case of a firm, reason/s for the cessation of service*** and the date of his resignation, dismissal or cessation of performing services for registrant.
  - (2) Describe disagreements, if there were any, with the former accountant on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure which, if not resolved to the satisfaction of the former accountant, would have caused it to make reference to the subject matter of the disagreement(s) in connection with its report.
  - (3) If there were any disagreements as described in subparagraph (2), the registrant shall request the former accountant to furnish the registrant with a letter addressed to the Commission stating whether it agrees with the statements made by the registrant and, if not, stating the respects in which it does not agree. The registrant shall file the former accountant's letter as an exhibit to the report or registration statement containing this disclosure.

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*Instructions to Part III, Paragraph (B)*

1. *The disclosure called for by paragraph (B) need not be provided if it has been previously reported.*
2. *The registrant shall furnish each accountant who was engaged during the period set forth in paragraph (B)(1) of this Part III when disclosure is required by paragraph (B) in an annual report filed pursuant to SRC Rule 17 (2)(a), or in ~~an~~ information statement filed pursuant to the requirements of SRC Rule 20.. If any such accountant believes that the statements are incorrect or incomplete, he/she may present his/her views in a brief statement, ordinarily expected not to exceed 200 words, to be included in the annual report ~~or proxy~~ or information statement. This statement shall be submitted to the registrant within ten (10) business days from the date the accountant receives the registrant's disclosure. The registrant shall file an SEC Form 17-C along with the annual report or proxy or information statement for the purpose of filing the written views as exhibits.*
3. *The information required by Part III, paragraph (B) need not be provided for a company being acquired by the registrant if the acquiree has not been subject to the filing requirements of Section 17 of the Code.*

4. *In determining whether any disagreement or reportable event has occurred, an oral communication from the engagement partner or another person responsible for rendering the accounting firm's opinion (or their designee) will generally suffice as the accountant advising the registrant of a reportable event or as a statement of a disagreement at the decision-making level within the accounting firm and requires disclosure under this Item.*

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#### PART IV MANAGEMENT AND CERTAIN SECURITY HOLDERS

- (A) **Directors, Executive Officers, Promoters and Control Persons:** This section requires disclosure of information concerning the background of the registrant's officers, directors, and other key personnel. A potential investor who reads this section should be able to consider whether or not these persons have adequate background and experience to develop and operate the registrant's business and make it successful.

(1) **Identify Directors, Including Independent Directors, and Executive Officers**

- (a) List the names, ages **and citizenship** of all directors, including independent directors, executive officers and all persons nominated or chosen to become such where required under Section 38 of the Code and SRC Rule 38.1 adopted thereunder; also provide the names of the incorporators in the case of an investment company.
- (b) List the positions and offices that each such person held, or will hold, if known, with the registrant;
- (c) Give the person's term of office as a director and the period during which the person has served;
- (d) Briefly describe the person's business experience during the past five (5) years; and
- (e) If a director, identify other directorships held in reporting companies, naming each company.

(2) **Identify Significant Employees**

Give the information specified in paragraph (A)(1) for each person who is not an executive officer but who is expected by the registrant to make a significant contribution to the business. If the business is highly dependent on the services of certain key personnel, describe any arrangements to assure that these persons will remain with the registrant and not compete upon any termination.

(3) **Family Relationships**

Describe any family relationships up to the fourth civil degree either by consanguinity or affinity among directors, executive officers, or persons nominated or chosen by the registrant to become directors or executive officers.

(4) Involvement in Certain Legal Proceedings

Describe any of the following events that occurred during the past five (5) years **up to latest date** that are material to an evaluation of the ability or integrity of any director, any nominee for election as director, executive officer, underwriter or control person of the registrant:

- (a) Any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;
- (b) Any conviction by final judgment, including the nature of the offense, in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;
- (c) Being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking activities; and
- (d) 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 other organized trading market or self regulatory organization, to have violated a securities or commodities law or regulation, and the judgment has not been reversed, suspended, or vacated.

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*Instructions to Part IV, Paragraph (A)(4)*

1. *For purposes of computing the five (5) year period referred to in this paragraph, the disclosure period applicable to a final conviction, order, judgment, decree or sanction shall begin with its date of entry. The disclosure period applicable to a final order shall commence when the rights of appeal from such order have lapsed. Any conviction, order, judgment, decree or sanction that is appealed shall continue to be disclosed until ultimately reversed, suspended vacated, annulled or otherwise rendered of no effect, at which time disclosure shall no longer be required. With respect to bankruptcy and insolvency proceedings, the computation date shall be the date of filing for uncontested petitions or the date upon which approval of a contested petition became final. In the case of receiverships and conservatorships, the computation date shall be the date the receiver or conservator was appointed.*
2. *The registrant is permitted to explain any mitigating circumstances associated with actions reported pursuant to subparagraph (4).*
3. *If the information called for by subparagraph (4) is being presented in a proxy or information statement, no information need be given respecting any director whose term of office as a director will not continue after the meeting to which the statement relates.*
4. *If the registrant is a partnership or a trust, the information required by subparagraph (4) shall be provided with respect to each general partner of the partnership, each trustee of the trust, and any other person providing services to such entities that are comparable to those provided by the persons*

identified in this subparagraph. Where management services are provided to the registrant by outside parties pursuant to management or service contract or otherwise, the information called for by subparagraph (4) shall be disclosed with respect to the persons identified, as well as any other person providing comparable services on behalf of the registrant.

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(B) Executive Compensation.

(1) General

(a) All Compensation Covered

This paragraph (B) requires clear, concise and understandable disclosure of all plan and non-plan compensation awarded to, earned by, paid to, or estimated to be paid to, directly or indirectly, the named executive officers designated under paragraph (B)(1)(b) hereof, directors covered by subparagraph (3) hereof, and in the aggregate to all officers and directors as a group during the last two completed fiscal years and the ensuing fiscal year, by any person for all services rendered in all capacities to the registrant and its subsidiaries, unless otherwise specified; provided, however, except as to all officers and directors as a group, that no disclosure need be provided for any executive officer, other than the Chief Executive Officer (CEO) and the four (4) most highly compensated, whose total annual salary and bonus, as so determined, does not exceed P500,000.00. All such compensation shall be reported even if also called for by another requirement, including transactions between the registrant and a third party where the primary purpose of the transaction is to furnish compensation to any such named executive officer or director unless information as to such transaction has been reported pursuant to paragraph (D) of this Part IV. No item reported as compensation for one fiscal year need be reported as compensation for a subsequent fiscal year.

(b) Persons Covered

Disclosure shall be provided for each of the following (the "named executive officers"):

- (i) all individuals serving as the registrant's CEO or acting in a similar capacity during the last completed fiscal year, regardless of compensation level;
- (ii) the registrant's four most highly compensated executive officers other than the CEO who were serving as executive officers at the end of the last completed fiscal year;

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Instructions to Part IV, Paragraph (B)(1)(b)

Determination of Most Highly Compensated Executive Officers. The determination as to which executive officers are most highly compensated shall be made by reference to total annual salary and bonus for the last completed fiscal year (as required to be disclosed pursuant to paragraph (B)(2)(a) and



(b), but including the peso value of salary or bonus amounts forgone pursuant to Instruction 3 to paragraph (B) (2) (b)(iii) a. and b. hereof.

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(c) Definition

For purposes hereof, the term **plan** includes, but is not limited to, the following: any plan, contract, authorization or arrangement, whether or not set forth in any formal documents, pursuant to which the following may be received: cash, stock, stock options, warrants, convertible securities, and similar instruments. A plan may be applicable to one person. Registrants may omit information regarding group life, health, hospitalization, medical reimbursement or relocation plans that do not discriminate in scope, terms or operation, in favor of executive officers or directors of the registrant and that are available generally to all salaried employees.

(2) Summary Compensation Table

(a) General. The information specified in paragraph (B)(2)(b) hereof, concerning the compensation of the named executive officers, and in the aggregate as to all officers and directors as a group, shall be supplied for each of the registrant's last two completed fiscal years **and ensuing year**, and shall be provided in a Summary Compensation Table, in the tabular format specified below.

**SUMMARY COMPENSATION TABLE**

		Annual Compensation			
	(a) Name and Principal position	(b) Year	(c) Salary (P)	(d) Bonus (P)	(e) Other Annual Compensation
CEO	_____				
A	_____				
B	_____				
C	_____				
D	_____				
E	All other officers and directors as a group unnamed				

- (b) The Table shall include:
  - (i) The name and principal position of the executive officer (column (a));
  - (ii) Fiscal year covered (column (b));
  - (iii) Annual compensation, directly or indirectly, (columns (c), (d) and (e), including:
    - (A) The peso value of base salary (cash and non-cash) earned by the named executive officer during the fiscal year covered (column (c)).
    - (B) The peso value of bonus (cash and non-cash) earned by the named executive officer during the fiscal year covered (column (d)); and

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Instructions to Part IV, Paragraph (B) (2)(b)(iii) A and B

1. Amounts deferred at the election of a named executive officer shall be included in the salary column [column (c)] or bonus column [column (d)], as appropriate, for the fiscal year in which earned. If the amount of salary or bonus earned in a given fiscal year is not calculable through the latest practicable date, that fact must be disclosed in a footnote and such amount shall be disclosed in the subsequent fiscal year in the appropriate column for the fiscal year in which earned.
2. For stock or any other form of non-cash compensation, disclose the fair market value at the time the compensation is awarded, earned or paid.
3. Registrants need not include in the salary column [column (c)] or bonus column [column (d)] any amount of salary or bonus forgone at the election of a named executive officer pursuant to a registrant program under which stock, stock-based or other forms of non-cash compensation may be received by a named executive in lieu of a portion of annual compensation earned in a covered fiscal year. However, the receipt of any such form of non-cash compensation in lieu of salary or bonus earned for a covered fiscal year shall be disclosed in a footnote to the salary or bonus column.

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- c. The peso value of other annual compensation not properly categorized as salary or bonus, as follows [column (e)]:
  1. Perquisites and other personal benefits, securities or property, if the aggregate amount of such compensation is ten percent (10%) or more of the total annual salary and bonus reported for the named executive officer in columns (c) and (d);
  2. Amounts reimbursed during the fiscal year for the payment of taxes; and

3. The peso value of the difference between the price paid by a named executive officer for any security of the registrant or its subsidiaries purchased from the registrant or its subsidiaries (through deferral of salary or bonus, or otherwise), and the fair market value of such security at the date of purchase, unless that discount is available generally, either to all security holders or to all salaried employees of the registrant.

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Instructions to Part IV, Paragraph (B)(2)(b)(iii)(C)

1. Each perquisite or other personal benefit exceeding twenty five percent (25%) of the total perquisites and other personal benefits reported for a named executive officer shall be identified by type and amount in a footnote or accompanying narrative discussion to column (e).
2. Perquisites and other personal benefits shall be valued on the basis of the aggregate incremental cost to the registrant and its subsidiaries.

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- (iv) On line E, provide the information required by columns (a) through (e) in the aggregate for all officers and directors as a group, including the named executive officers, without naming the individuals and irrespective of the amount of their individual compensation.
- (v) The information required by column (a) through (e) may be provided in the aggregate for the CEO and the four (4) most highly compensated officers other than the CEO, all of whom shall be individually named.

(3) Compensation of Directors

- (a) Standard Arrangements. Describe any standard arrangements, stating amounts, pursuant to which directors of the registrant are compensated, or are to be compensated, directly or indirectly, for any services provided as a director, including any additional amounts payable for committee participation or special assignments, for the last completed fiscal year and the ensuing year.
- (b) Other Arrangements. Describe the material terms of any other arrangements, including consulting contracts, pursuant to which any director of the registrant was compensated, or is to be compensated, directly or indirectly, during the registrant's last completed fiscal year, and the ensuing year, for any service provided as a director, stating the amount paid and the name of the director.

- (4) Employment Contracts and Termination of Employment and Change-in-Control Arrangements. Describe the terms and conditions of each of the following contracts or arrangements:

- (a) Any employment contract between the registrant and a named executive officer; and
- (b) Any compensatory plan or arrangement, including payments to be received from the registrant, with respect to a named executive officer, if such plan or arrangement results or will result from the resignation, retirement or any other termination of such executive officer's employment with the registrant and its subsidiaries or from a change-in-control of the registrant or a change in the named executive officer's responsibilities following a change-in-control and the amount involved, including all periodic payments or installments, which exceeds P2,500,000.

(5) Warrants and Options Outstanding: Repricing

- (a) Furnish information on all outstanding warrants or options held by the registrant's CEO, the named executive officers, and all officers and directors as a group. This information shall be furnished in tabular form showing the amount of warrants or options held by the CEO and each of the named executive officers, and all officers and directors as a group, total warrants or options outstanding, date of grant, exercise price, market price on the date of grant, the expiration date and a detailed statement as to the plan or scheme by which said warrants or options shall be exercised.
- (b) If at any time during the last completed fiscal year, the registrant, while a reporting company, has adjusted or amended the exercise price of stock warrants or options previously awarded to any of the officers and directors covered by subparagraph (a) hereof, whether through amendment, cancellation or replacement grants, or any other means, the registrant shall explain in reasonable detail any such repricing of warrants or options held by such officers or directors in the last completed fiscal year, as well as the basis for each such repricing.

(C) Security Ownership of Certain Record and Beneficial Owners and Management.

(1) Security Ownership of Certain Record and Beneficial Owners

Complete the table below for any person (including any "group") who is known to the registrant to be directly or indirectly the record *and/or* beneficial owner (see definition below) of more than 5% of any class of registrant's voting securities.

(1) Title of class	(2) Name, address of record owner and relationship with issuer	(3) Name of Beneficial Owner and Relationship with Record Owner	(4) Citizenship	(5) No. of Shares Held	(6) Percent
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(2) Security Ownership of Management

Furnish the following information, as of the date the registration statement is filed, in substantially the tabular form indicated, as to each class of equity securities of the registrant beneficially owned by **individual directors, executive officers and nominees**, naming them, each of the named executive officers as defined in paragraph (B)(1)(b) of this Part IV,. Show in column (3) the total number of shares beneficially owned and in column (4) the percent of class owned. Of the number of shares shown in column (3), indicate, by footnote or otherwise, the amount of shares with respect to which such persons have the right to acquire beneficial ownership.

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(1) Title of class	(2) Name of beneficial Owner	(3) Amount and nature of beneficial ownership	(4) Citizenship	(5) Percent of Class
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*Instructions to Part IV, Paragraph (B)(2)(C)(1) & (2)*

*The information shall in no event more than ninety (90) days prior to filing of the registration statement or the information statement.*

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(3) Voting Trust Holders of 5% Or More

Where persons hold more than 5% of a class under a voting trust or similar agreement, provide the following:

- (a) the title of such securities;
- (b) the amount that they hold under the trust or agreement (if not clear from the table);
- (c) the duration of the agreement;
- (d) the names and addresses of the voting trustees; and
- (e) a brief outline of the voting rights and other powers of the voting trustees under the trust or agreement.

(4) Changes in Control

Describe any arrangements which may result in a change in control of the registrant.

(5) Definitions--For purposes of this paragraph (C):

- (a) **Beneficial Owner** shall mean
- (i) Any person who, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise has or shares:
    - A. voting power, which includes the power to vote, or to direct the voting of, such security; or
    - B. investment returns or power, which includes the power to dispose, or to direct the disposition of, such security.
  - (ii) Any person who, directly or indirectly, creates or uses a trust, proxy, power of attorney, pooling arrangement or any other contract, arrangement or device with the purpose or effect of divesting such person of beneficial ownership of a security or preventing the vesting of such beneficial ownership.
- In areas covered by nationality requirements of the Constitution, and a corporation is named or reported as a beneficial owner, the beneficial ownership of that corporation shall be traced as far back as necessary to find the actual natural person, or natural persons acting together, to direct the voting or disposition of the shares held by the corporation.
- (b) For purposes of this paragraph (C), the term "**group**" shall mean two or more persons acting as a partnership, syndicate, or other group for the purpose of acquiring, holding or disposing of securities of an issuer.

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*Instructions to Part IV, Paragraph (C)*

1. *Of the number of shares shown in column (3) of paragraph (C)(1) and (2), state in a footnote the amount of additional shares which the listed beneficial or record owner has the right to acquire within thirty (30) days, from options, warrants, rights, conversion privilege or similar obligations, or otherwise.*
2. *Calculate the percentages in column (4) on the basis of the amount of outstanding securities plus, for each person or group, any securities that person or group has the right to acquire within thirty (30) days pursuant to options, warrants, conversion privileges or other rights.*
3. *All securities of the same class beneficially owned by a person, regardless of the form that such beneficial ownership takes, shall be totaled in calculating the number of shares beneficially owned by such person.*
4. *Where the registrant lists more than one beneficial owner for the same securities, adequate disclosure should be included to avoid confusion.*

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(D) Certain Relationships and Related Transactions.

This item requires extensive disclosure of transactions (or series of similar transactions) with or involving the company or any of its subsidiaries in which a director, executive officer, or stockholder owns ten percent (10%) or more of total outstanding shares and members of their immediate family had or is to have a direct or indirect material interest. Complying with this item requires a very careful review of all transactions that involve insiders or their immediate families during the last two years.

- (1) Describe any transaction during the last two years, or proposed transactions, to which the registrant was or is to be a party, in which any of the following persons had or is to have a direct or indirect material interest. Give the name of the person, the relationship to the issuer, nature of the person's interest in the transaction, and the amount of such interest:
  - (a) Any director or executive officer of the registrant;
  - (b) Any nominee for election as a director;
  - (c) Any security holder named in response to Part IV, paragraph (C)
  - (d) Any member of the immediate family (including spouse, parents, children, siblings, and in-laws) of any of the persons in subparagraph (1)(a), (b) or (c) of this paragraph (D).
- (2) No information need be included for any transaction where:
  - (a) The transaction involves services at rates or charges fixed by law or governmental authority;
  - (b) The transaction involves services as a bank depository of funds, transfer agent, registrar, trustee under a trust indenture, or similar services;
  - (c) The amount involved in the transaction or a series of similar transactions is less than P500,000.00; or
  - (d) The interest of the person arises solely from the ownership of securities of the registrant and the person receives no extra or special benefit that was not shared equally (pro rata) by all holders of securities of the class.
- (3) List all parents of the registrant showing the basis of control and as to each parent, the percentage of voting securities owned or other basis of control by its immediate parent if any.
- (4) Transactions with Promoters. Issuers organized within the past five (5) years shall:
  - (a) State the names of the promoters, the nature and amount of anything of value (including money, property, contracts, options or rights of any kind) received or to be received by each promoter, directly or

indirectly, from the issuer and the nature and amount of any assets, services or other consideration received or to be received by the registrant; and

- (b) As to any assets acquired or to be acquired from a promoter, state the amount at which the assets were acquired or are to be acquired and the principle followed or to be followed in determining such amount and identify the persons making the determination and their relationship, if any, with the registrant or any promoter. If the assets were acquired by the promoter within two years prior to their transfer to the issuer, also state the cost thereof to the promoter.
- (5) For purposes of this Part IV, paragraph (D), a person does not have an indirect material interest in a transaction where:
- (a) The interest arises only:
    - (i) from such person's position as a director of another corporation or organization (other than a partnership) which is a party to the transaction; and/or
    - (ii) from the total ownership (direct or indirect) by all specified persons of less than a five percent (5%) equity interest in another person (other than a partnership) which is a party to the transaction;
  - (b) The interest arises only from such person's position as a limited partner in a partnership in which he and all other specified persons had an interest of less than five percent (5%); or
  - (c) The interest of such person arises solely from holding an equity interest (but not a general partnership interest) or a creditor interest in another person that is a party to the transaction and the transaction is not material to such other person.

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*Instructions to Part IV, Paragraph (D)*

1. *Include information for any material underwriting discounts and commissions upon the sale of securities by the registrant where any of the specified persons was or is to be an underwriter or is a controlling person or member of a firm that was or is to be an underwriter.*
2. *As to any transaction involving the purchase or sale of assets by or to the registrant other than in the ordinary course of business, state the cost of the assets to the purchaser and if acquired by the seller within two years before the transaction, the cost thereof to the seller.*

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**PART V CORPORATE GOVERNANCE**

***The following information, as declared and approved by the Board of Directors of the company, shall be discussed:***



- (a) *The evaluation system established by the company to measure or determine the level of compliance of the Board of Directors and top-level management with its Manual of Corporate Governance;*
- (b) *Measures being undertaken by the company to fully comply with the adopted leading practices on good corporate governance;*
- (c) *Any deviation from the company's Manual of Corporate Governance. It shall include a disclosure of the name and position of the person/s involved, and the sanction/s imposed on said individual;*
- (d) *Any plan to improve corporate governance of the company.*

PART VI REGISTRATION STATEMENT AND PROSPECTUS PROVISIONS

(A) Front of Registration Statement and Outside Front Cover Page of Prospectus.

On the outside front cover page of the prospectus, the information provided shall be in an easily readable style and format and include, at a minimum, the following information:

- (1) Name of the issuer
- (2) The terms of the offer including:
  - (a) Description and amount of securities offered;
  - (b) Public offering price, or the offering price range in the case of a preliminary prospectus;
  - (c) Where the securities will be traded (exchange or over-the-counter);
- (3) Name(s) of the underwriter(s)
- (4) The date of the prospectus
- (5) The following statement in bold face 12 point type, prominently displayed:

**THE SECURITIES AND EXCHANGE COMMISSION HAS NOT APPROVED THESE SECURITIES OR DETERMINED IF THIS PROSPECTUS IS ACCURATE OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE AND SHOULD BE REPORTED IMMEDIATELY TO THE SECURITIES AND EXCHANGE COMMISSION.**

(B) Inside Front Cover and First Two or More Pages of Prospectus.

- (1) If not included on the cover of the prospectus, provide the following information on the inside front cover:
  - (a) Number of shares offered by current stockholders;
  - (b) Total number of shares outstanding after the offering;
  - (c) Total proceeds raised by the offering;

- (d) Brief description of use of proceeds from the offering;
  - (e) Underwriters' fees;
  - (f) Dividend policy;
  - (g) Address and telephone number of the company's principal office.
- (2) Table of Contents.
  - (3) Brief description of the company's business. More detailed information shall be provided in the body of the prospectus under Item 11 of SEC Form 12-1.
  - (4) Summary paragraph or key points characterizing the risks of the offering under the caption "Risks of Investing". More detailed information shall be provided under Item 3 of SEC Form 12-1.
  - (5) Summary financial information in tabular or graphic form which is useful to potential investors. Such information shall be summarized from the more detailed financial statement information required under Item 12 of SEC Form 12-1. Data shall include, but need not be limited to, the following:
    - (a) Abbreviated income statement data for prior two years;
    - (b) Abbreviated balance sheet data for the prior two years.
  - (6) A Glossary which defines all technical terms used in the prospectus.
  - (7) The following statement in bold face 12-point type, prominently displayed, in the case of a preliminary prospectus:

**A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION BUT HAS NOT YET BEEN DECLARED EFFECTIVE. NO OFFER TO BUY THE SECURITIES CAN BE ACCEPTED AND NO PART OF THE PURCHASE PRICE CAN BE ACCEPTED OR RECEIVED UNTIL THE REGISTRATION STATEMENT HAS BECOME EFFECTIVE, AND ANY SUCH OFFER MAY BE WITHDRAWN OR REVOKED, WITHOUT OBLIGATION OF COMMITMENT OF ANY KIND, AT ANY TIME PRIOR TO NOTICE OF ITS ACCEPTANCE GIVEN AFTER THE EFFECTIVE DATE. AN INDICATION OF INTEREST IN RESPONSE HERETO INVOLVES NO OBLIGATION OR COMMITMENT OF ANY KIND. THIS PROSPECTUS SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY.**

- (8) In the case of a prospectus that has become effective, the following statement in bold face 12-point type, prominently displayed, and signed by the president under oath:

**ALL REGISTRATION REQUIREMENTS HAVE BEEN MET AND ALL INFORMATION CONTAINED HEREIN IS TRUE AND CURRENT.**

(C) Risk Factors.

Under the caption "Risk Factors", registrant shall list in the order of importance and discuss fully the factors that make the offering speculative or risky (i.e. those factors which constitute the greatest threat that the investment in the securities will be lost in

whole or in part, or not provide an adequate return). These factors may include, among other things, an absence of operating history of the registrant, no recent profit from operations, poor financial position, the kind of business in which the registrant is engaged or proposes to engage, or no market for the registrant's securities.

***Discuss how the company shall manage the risks mentioned above.***

(D) Specialized Registrants.

(1) Investment Companies

In addition to the other requirements contained herein as appropriate, the prospectus of an investment company shall contain:

- (a) a description of the investment fund, its classification in accordance with categories stated in rules adopted under the Investment Company Act, its investment objectives and initial investment plans.
- (b) a statement of investment restrictions, including ceilings per company or industry, liquidity standards and portfolio mix;
- (c) terms of the issue and pricing of securities issued or to be issued by the investment company, sales load, minimum size requirements, income distribution policy and procedures in the purchase and sale of such securities;
- (d) in the case of redeemable securities, the method and basis of computation of net asset value; manner and method of redemption; authorized redemption centers; minimum holding periods; and redemption charges, if any;
- (e) the extent of participation or ownership by members of the Board of Directors and management in the equity and/or debt securities issued by the investment company;
- (f) principal responsibilities of the underwriters, selling agents, investment advisors/managers, custodian and independent auditor;
- (g) audited financial statements as of a date not earlier than ninety (90) days from the date of the filing of the registration statement; and
- (h) schedule of investments (portfolio) indicating issuer, cost and market value.

(E) Use of Proceeds

- (1) State the principal purposes for which the net proceeds of the offering will be used, indicating the approximate amount intended to be used for each such purpose. Where the registrant has no current specific plan for the proceeds, or a significant portion thereof, the registrant shall so state and discuss the principal reasons for the offering.

Where less than all of the securities to be offered may be sold and more than one use is listed for the proceeds, the registrant shall indicate the order of

priority of such purposes and discuss its plans if substantially less than the maximum proceeds are obtained.

If any material amounts of other funds are necessary to accomplish the specified purpose(s) for which the offering is made, the registrant shall state the amounts and sources of such other funds needed.

If a material amount of proceeds will discharge debt, state the interest rate and maturity. If that debt was incurred within one year, describe the use of the proceeds of that debt.

If any material amount of the proceeds is to be used to acquire assets or finance the acquisitions of other businesses, describe the assets or businesses and identify the persons from whom they will be bought. State the cost of the assets and, where such assets are to be acquired from affiliates of the registrant or their associates, give the names of the persons from whom they are to be acquired and set forth the principle followed in determining the cost to the registrant.

Explain if any of the proceeds are to be used to reimburse any officer, director, employee or shareholder for services rendered, assets previously transferred, money loaned or advanced, or otherwise.

(2) **Disclose the expenses which shall be deducted or paid out of the gross proceeds.**

(3) Investment Companies

State that the proceeds from the sale of securities, including the original subscription payments at the time of incorporation constituting the original paid-in capital of the investment company, shall be held by a custodian bank referred to in rules adopted under the Investment Company Act.

(F) Determination of Offering Price.

***Discuss the various factors considered in determining the offering price of the securities for registration.***

The following factors may be relevant to the price at which the securities are being offered: after-tax earnings, price/earnings multiple, net tangible book value per share.

(G) Dilution.

Where common equity securities are being registered and there is a substantial disparity between the public offering price and the effective cash cost to officers, directors, promoters and affiliated persons of common equity acquired by them in transactions during the past five (5) years, or which they have the right to acquire, and the registrant is not subject to the reporting requirements of Section 17 of the Code immediately prior to filing of the registration statement, there shall be included a comparison of the public contribution under the proposed public offering and the effective cash contribution of such persons. In such cases, and where common equity

securities are being registered by a registrant that has had losses in each of its last three fiscal years, or from inception if shorter, and there is a material dilution of the purchasers' equity interest, the following shall be disclosed:

- (1) The net tangible book value per share before and after the distribution. For this purpose, net tangible book value means total assets (exclusive of copyrights, patents, goodwill, research and development costs, pre-operating costs, and similar intangible assets) minus total liabilities.
- (2) The amount of the increase in such net tangible book value per share attributable to the cash payments made by purchasers of the shares being offered; and
- (3) The amount of the immediate dilution from the public offering price which will be absorbed by such purchasers.

H. Selling Security Holders.

If any of the securities to be registered are to be offered for the account of security holders, name each such security holder, indicate the nature of any position, office, or other material relationship which the selling security holder has had within the past three years with the registrant or any of its predecessors or affiliates, and state the amount of securities of the class owned by such security holder prior to the offering, the amount to be offered for the security holder's account, the amount and (if one percent or more) the percentage of the class to be owned by such security holder after completion of the offering.

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*Instruction to Part VI, Paragraph (H)*

*Responses to Part V, paragraph (H) may be combined with disclosure in response to Part IV, Paragraph (C), Security Ownership of Certain Record and Beneficial Owners and Management.*

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(I) Plan of Distribution. This section requires the disclosure of the amount of compensation to the selling agents and underwriters, and the nature of any relationships between them and the registrant. After reviewing the information contained herein, a potential investor should be in a better position to assess the extent to which he may rely upon any recommendation by the underwriter or selling agent to buy the securities.

- (1) Underwriters/Marketers and underwriting/marketing obligation
  - (a) State the name of the lead underwriter(s), and the respective amounts underwritten. Identify each underwriter having a material relationship with the registrant and describe the nature of the relationship. State briefly the nature of the obligation of the underwriter(s) to take the securities.
  - (b) If any of the underwriters has a contract or other arrangement with the issuer by which the underwriter may put back to the issuer any unsold

securities of the offering, so state, and submit a copy of the agreement or, if oral, state the substance thereof.

- (c) ***Disclose whether or not the underwriter or marketer is licensed by the Commission to engage in underwriting or distribution of securities to the public, or the status of its application, if not yet licensed.***

(2) New underwriters

Describe the business experience of the lead underwriter. If such underwriter has been in business less than three years, state their principal business function and identify any material relationships between the promoters of the issuer and the underwriter(s). This information need not be given if the issuer is a reporting company and an offering has no material risks.

(3) Other Distributions

Outline briefly the plan of distribution of any securities to be registered that are to be offered other than through underwriters.

- (a) If any securities are to be offered pursuant to a dividend or interest reinvestment plan the terms of which provide for the purchase of some securities on the market, state whether the registrant or the participant pays fees, commissions, and expenses incurred in connection with the plan. If the participant will pay such fees, commissions and expenses, state the anticipated cost to participants by transaction or other convenient reference.
- (b) If the securities are to be offered through the selling efforts of Broker Dealers, describe the plan of distribution and the terms of any agreement, arrangement, or understanding entered into with Broker Dealers prior to the effective date of the registration statement, including volume limitations on sales, parties to the agreement and the conditions under which the agreement may be terminated. If known, identify the Broker Dealer which will participate in the offering and state the amount to be offered through each.
- (c) If any of the securities being registered are to be offered other than for cash, state briefly the general purposes of the distribution, the basis upon which the securities are to be offered, the amount of compensation and other expenses of distribution, and by whom they are to be borne. If the distribution is to be made pursuant to a plan of acquisition, reorganization, readjustment or succession, describe briefly the general effect of the plan and state when it became or is to become operative.
- (d) As to any material amount of assets to be acquired under the plan, other than in the ordinary course of business, describe briefly and state the cost of the assets and, where the assets are to be acquired from affiliates of the registrant or their associates, give the names of the persons from whom they are to be acquired and set forth the principle followed in determining the cost to the registrant.

(4) Underwriters' Compensation

- (a) To the extent not set forth on the cover page of the prospectus, describe the discounts and commissions paid or to be paid, directly or indirectly, to the underwriters.
- (b) For purposes of this paragraph (l)(4), "commissions" shall include all cash, securities, contracts, or anything of value, paid, to be set aside, or disposed of, or understandings with or for the benefit of any other person in which any underwriter is interested, made in connection with the sale of the security to be issued. A commission paid or to be paid in connection with the sale of such security by a person in which the issuer has an interest or which is controlled by, or under common control with, the issuer shall be deemed to have been paid by the issuer. Where any such commission is paid, the amount of such commission paid to each underwriter shall be stated.

(5) Underwriter's Representative in the Board of Directors

Describe any arrangement whereby the underwriter has the right to designate or nominate a member or members of the board of directors of the registrant. Identify any director so designated or nominated and indicate any relationship with the registrant.

(6) Designated Shares and Allocations

State whether any shares are designated to be sold to specified persons and, if so, name them and the amount of the shares to be so designated. State the manner in which shares are to be allocated to an Exchange and/or to its members, or by an Exchange to its members.

(J) Brokers/Dealers' Compensation

State briefly the discounts and commissions to be allowed or paid to Broker Dealers, including all cash, securities, contracts or other considerations to be received by any Broker Dealer in connection with the sale of the securities.

(K) Finders

Identify any finder and, if applicable, describe the nature of any material relationship between such finder and the registrant, its officers, directors, principal stockholders, finders or promoters or the underwriter(s), or if there is a lead underwriter(s), the lead underwriter(s), (including, in each case, affiliates or associates thereof).

(L) Interests of Named Experts and Independent Counsel

(1) Direct or Indirect Interest in Registrant

If an "expert" or "independent counsel" hired on a contingent basis will receive a direct or indirect interest in the registrant or was a promoter, underwriter,

voting trustee, director, officer, or employee, of the registrant, describe the contingent basis, interest, or connection; *provided, however*, the registrant does not need to disclose the interest of an expert (other than an accountant) or independent counsel if their interest (including the fair market value of all securities of the registrant received and to be received, or subject to options, warrants or rights received or to be received) does not exceed P 500,000.00.

(2) Definitions

- (a) Expert is a person who is named as preparing or certifying all or part of the registrant's registration statement or a report or valuation for use in connection with the registration statement.
- (b) Independent Counsel is independent counsel named in the prospectus as having given an opinion on the validity of the securities being registered or upon other legal matters concerning the registration or offering of the securities.

(M) Other Expenses of Issuance and Distribution.

Give an itemized statement of all expenses of the offering, other than underwriting discounts and commissions. If any of the securities are registered for sale by security holders, state how much of the expenses the security holders will pay.

- (1) The itemized list should generally include registration fees, taxes, trustees' and transfer agents' fees, costs of printing and engraving, legal, accounting, and engineering fees and any listing fees.
- (2) Include as a separate item any premium paid by the registrant or any selling security holder on any policy to insure or indemnify directors or officers against any liabilities they may incur in the registration, offering, or sale of these securities.
- (3) If the amounts of any items are not known, give estimates but identify them as such.

(N) Authorization Re: Issuer's Bank Accounts.

As part of the registration statement for the offering of any class of securities, all registrants shall submit a continuing authorization to the Commission enabling its duly authorized representatives to access, inspect and copy all of the registrant's bank accounts, including all such accounts held by the issuer, its subsidiaries and its affiliates and persons under common control with or by the issuer. This authorization shall be for all banks, domestic or foreign, wherein accounts are maintained and shall be continuous **for as long as the registration of securities of the issuer is effective.**



Part VII EXHIBITS

- (A) Exhibits and Index of Exhibits Required.
- (1) Five (5) copies each of the exhibits required in the exhibit table shall be filed or incorporated by reference as part of the registration statement or specified report.
  - (2) Each filing shall have an index of exhibits. The exhibit index shall list exhibits in the same order as the exhibit table. If the exhibits are incorporated by reference, this fact should be noted in the exhibit index. In the manually signed registration statement or report, the exhibit index should give the page number of each exhibit.
  - (3) If a material contract or plan of acquisition, reorganization, arrangement, liquidation or succession is executed or becomes effective during the reporting period covered by SEC Form 17-Q or SEC Form 17-A, it shall be filed as an exhibit to FORM 17-Q or FORM 17-A filed for the corresponding period. Any amendment or modification to a previously filed exhibit to FORM 17-Q or 17-A shall be filed as an exhibit to FORM 17-Q or FORM 17-A. Such amendment or modification need not be filed where the previously filed exhibit would not be currently required.

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*Instructions to Part VII, Paragraph (A)*

1. *If an exhibit (other than an opinion or consent) is filed in preliminary form and is later changed to include only interest, dividend or conversion rates, redemption or conversion prices, purchase or offering prices, underwriters' or dealers' commissions, names, addresses or participation of underwriters or similar matters and the information appears elsewhere in the registration statement or a prospectus, no amendment need be filed.*
2. *Registrants may file copies of each exhibit, rather than originals, except as otherwise specifically noted.*

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**EXHIBIT TABLE**

**SECURITIES REGULATION CODE FORMS**

	Description	12-1	17-C	17-Q	17-A
1	Publication of Notice re: Filing	x			
2	Underwriting Agreement	x	x		
3	Plan of Acquisition, Reorganization, Arrangement, Liquidation, or Succession	x	x	x	x
4	(A) Articles of Incorporation (B) By-laws	x	x		
5	Instruments Defining the Rights of Security Holders, Including Indentures	x	x	x	x
6	Opinion re: Legality	x			
7	Opinion re: Tax Matters	x			

8	Voting Trust Agreement	x	x		x
9	Material Contracts	x	x		
10	Annual Report to Security Holders, FORM 17-Q or Quarterly Report to Security Holders--n1	x			x
11	Material Foreign Patents	x			
12	Letter re: Unaudited Interim Financial Information	x		x	
13	Letter re: Change in Certifying Accountant--n2	x	x		x
14	Letter re: Director Resignation		x		
15	Letter re: Change in Accounting Principles				x
16	Report Furnished to Security Holders			x	x
17	Other Documents or Statements to Security Holders			x	
18	Subsidiaries of the Registrant	x			x
19	Published Report Regarding Matters Submitted to Vote of Security Holders	x			x
20	Consents of Experts and Independent Counsel	x	x-n3	x-n3	x-n3
21	(a) Power of Attorney (b) Power of Attorney--Foreign Registrant	x	x	x	x
22	Statement of Eligibility of Trustee	x			
23	Exhibits To Be Filed With <b>Commercial Papers/Bond Issues</b>	x			
24	Exhibits To Be Filed With Stock Options Issues	x			
25	Exhibits To Be Filed By Investment Companies	x			
26	<b>Notarized</b> Curriculum Vitae and Photographs of Officers and Members of the Board of Directors	x			
27	Copy of the BOI Certificate for BOI Registered Companies	x			
28	Authorization re: Registrant's Bank Accounts.	x			
29	Additional Exhibits	x	x	x	x
30	Copy of Board Resolution approving the securities offering and authorizing the filing of the Registration Statement	x			
31	Duly verified resolution of the issuer's Board of Directors approving the disclosures contained in the registration statement and assuming liability for the information contained therein	x			
32	<b>Secretary's Certificate as to adoption by the Board of certain corporate governance principles</b>	x			
33	<b>Exhibits to be filed for proprietary or non-proprietary shares issues</b>	x			
34	<b>Exhibits to be filed for Warrants Issues</b>	x			

n1 In the case of SEC Form 17-A, where the annual report to security holders is incorporated by reference into the text of FORM 17-A. Note: SRC Rule 12.2 prohibits information from being incorporated by reference to the prospectus.

n2 If required pursuant to Part III, paragraph B(3) of this Annex C.

n3 Where the opinion of the expert or independent counsel has been incorporated by reference to a previously filed SEC Form 12-1 registration statement.

(B) Description of Exhibits.

Set forth below is a description of each document listed in the exhibit table.

(1) Publication of Notice re: Filing

An undertaking that registrant will publish notice of the filing of the registration statement once per week for two consecutive weeks in two newspapers of general circulation in the Philippines stating that a registration statement for the sale of the subject securities has been filed with the Commission, that it and the papers attached thereto are open for inspection at the Commission during business hours by interested parties, that copies thereof can be obtained at the Commission at a reasonable charge. The required format for the publication is contained in Annex A hereto. This notice shall be filed with this exhibit.

(2) Underwriting Agreement

Each underwriting contract or agreement with an underwriter for the distribution of securities.

(3) Plan of Acquisition, Reorganization, Arrangement, Liquidation or Succession

Any such plan described in the filing. Schedules or attachments may be omitted if they are listed in the index and provided to the Commission upon request.

(4) Articles of Incorporation and Bylaws

(a) A complete copy of the articles of incorporation. Whenever amendments to articles of incorporation are filed, a complete copy of the articles, as amended, shall be filed.

(b) A complete copy of the by-laws. Whenever amendments to the bylaws are filed, a complete copy of the by-laws as amended shall be filed.

(5) Instruments Defining The Rights of Security Holders, Including Indentures

(a) All instruments defining the rights of holders of the equity or debt securities being registered including, where applicable, the relevant portion of the articles of incorporation or by-laws of the registrant.

(b) All instruments defining the rights of holders of long term debt unless the total amount of debt covered by the instrument does not exceed ten percent (10%) of the total assets of the registrant.

(6) Opinion Re: Legality

An opinion of independent counsel as to the legality of the securities being registered, indicating whether they will, when sold, be legally issued, fully paid and non-assessable, and, if debt securities, whether they will be binding obligations of the registrant.

(7) Opinion re: Tax Matters

An opinion of tax counsel or of an independent certified public accountant where tax matters are material to an investor and a representation as to tax consequences is set forth in the filing. If a tax opinion is set forth in full in the filing, an indication that such is the case may be made in lieu of filing the otherwise required exhibit. Tax opinions may be conditioned or may be qualified, so long as such conditions and qualifications are adequately described in the filing.

(8) Voting Trust Agreement

Any voting trust agreements and amendments thereto.

(9) Material Contracts

(a) Every contract not made in the ordinary course of business which is material to the registrant and is to be performed in whole or in part at or after the filing of the registration statement or report or was entered into not more than two years before such filing. Only contracts need be filed as to which the registrant or subsidiary of the registrant is a party or has succeeded to a party by assumption or assignment or in which the registrant or such subsidiary has a beneficial interest.

(b) If the contract ordinarily accompanies the kind of business conducted by the registrant and its subsidiaries, it will be deemed to have been made in the ordinary course of business and need not be filed, unless it falls within one or more of the following categories, in which case it shall be filed except where immaterial in amount or significance:

(i) Any contract to which directors, officers, promoters, voting trustees, security holders named in the registration statement or report, or underwriters are parties, other than contracts involving only the purchase or sale of current assets having a determinable market price, at such market price;

(ii) Any contract upon which the registrant's business is substantially dependent, as in the case of continuing contracts to sell the major part of registrant's products or services or to purchase the major part of registrant's requirements of goods, services or raw materials or any franchise or license or other agreement to use a patent, formula, trade secret, process or

trade name upon which registrant's business depends to a material extent;

- (iii) Any contract calling for the acquisition or sale of any property, plant or equipment for a consideration exceeding fifteen percent (15%) of such fixed assets of the registrant on a consolidated basis; or
  - (iv) Any material lease under which a part of the property described in the registration statement or report is held by the registrant.
- (c)
- (i) Any management contract or any compensatory plan, contract or arrangement, including but not limited to plans relating to options, warrants or rights, pension, retirement or deferred compensation or bonus, incentive or profit sharing (or if not set forth in any formal document, a written description thereof) in which any director or any of the named executive officers of the registrant, as defined by Part IV, paragraph (B)(1)(b) participates shall be deemed material and shall be filed; and any other management contract or any other compensatory plan, contract, or arrangement in which any other executive officer of the registrant participates shall be filed unless immaterial in amount or significance.
  - (ii) Notwithstanding subparagraph (c)(i) above, the following management contracts or compensatory plans, contracts or arrangements need not be filed:
    - A. Ordinary purchase and sales agency agreements.
    - B. Agreements with managers of stores in a chain organization or similar organization.
    - C. Contracts providing for labor or salesmen's bonuses or payments to a class of security holders, as such.
    - D. Any compensatory plan, contract or arrangement which pursuant to its terms is available to employees, officers or directors generally and which in operation provides for the same method of allocation of benefits between management and non-management participants.
    - E. Any compensatory plan, contract, or arrangement if the registrant is a wholly owned subsidiary of a company that files reports pursuant to Section 17 of the Code and is filing a report on SEC Form 17-A or registering debt instruments or preferred stock which are not voting securities.

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Instructions to Part VII, Paragraph (B)(9)

1. *Only copies of the various remunerative plans need be filed. Each individual director's or executive officer's personal agreement under the plans need not be filed, unless they contain material provisions.*
2. *If a material contract is executed or becomes effective during the reporting period reflected by FORM 17-Q, it shall be filed as an exhibit to FORM 17-Q filed for the corresponding period. See paragraph (A)(3) of this Part VII.*

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(10) Annual Report to Security Holders, FORM 17-Q or Quarterly Report To Security Holders

Such reports, except for the parts which are expressly incorporated by reference in the filing, are to be furnished for the information of the Commission and are not to be deemed "filed" as part of the filing. If the financial statements in the report have been incorporated by reference in the filing, the accountant's certificate shall be manually signed in one copy.

(11) Material Foreign Patents

Each material foreign patent for an invention not covered by a Philippines patent. If the filing is a registration statement and if a substantial part of the securities to be offered, or if the proceeds therefrom have been or are to be used for the particular purposes of acquiring, developing or exploiting one or more material foreign patents or patent rights, furnish a list showing the number and a brief identification of each such patent or patent right.

(12) Letter Re: Unaudited Interim Financial Information

A letter, where applicable, from the independent accountant which acknowledges awareness of the use in a registration statement of a report on unaudited interim financial information. This letter is not considered a part of a registration statement prepared or certified by an accountant or a report prepared or certified by an accountant. Such letter may be filed with the registration statement, an amendment thereto, or a report on SEC Form 17-Q which is incorporated by reference to the registration statement.

(13) Letter Re: Change In Certifying Accountant

A letter from the former accountant regarding his concurrence or disagreement with the statements made by registrant concerning any disagreements as required under subparagraph (B)(3) of Part III.

(14) Letter Re: Director Resignation

Any letter from a former director which sets forth a description of a disagreement with the registrant that led to the director's resignation or refusal to stand for re-election and which requests that the matter be disclosed.

(15) Letter Re: Change In Accounting Principles

Unless previously filed, a letter from the registrant's independent accountant indicating whether any change in accounting principles or practices followed by the registrant, or any change in the method of applying any such accounting principles or practices, which affected the financial statements being filed with the Commission in the report or which is expected to affect the financial statements of future fiscal years is to an alternative principle which in his judgment is preferable under the circumstances. No such letter need be filed when such change is made in response to a standard adopted by the Accounting Standards Council that creates a new accounting principle, that expresses a preference for an accounting principle, or that rejects a specific accounting principle.

(16) Report Furnished The Security Holders

If the registrant makes available to its stockholders or otherwise publishes, within the period prescribed for filing the report, a document or statement containing information meeting some or all of the requirements of Part I of SEC Form 17-Q the information called for may be incorporated by reference to such published document or statement provided copies thereof are included as an exhibit to the registration statement or to Part I of Form 17-Q.

(17) Other Documents Or Statements To Security Holders

If the registrant makes available to its stockholders or otherwise publishes, within the period prescribed for filing the report, a document or statement containing information meeting some or all of the requirements of this form the information called for may be incorporated by reference to such published document or statement provided copies thereof are filed as an exhibit to the report on this form.

(18) Subsidiaries Of The Registrant

List all subsidiaries of the registrant, the province, country or other jurisdiction of incorporation or organization of each and the names under which such subsidiaries do business. This list may be incorporated by reference from a document which includes a complete and accurate list.

(19) Published Report Regarding Matters Submitted To Vote Of Security Holders

Published reports containing all of the information called for in Item 4 of Part I of SEC Form 17-A.

(20) Consents Of Experts And Independent Counsel

(a) All written consents required to be filed under Section 12 of the Code shall be dated and manually signed. Where the consent of an expert or independent counsel is contained in his report or opinion or elsewhere in the registration statement or document filed therewith, a reference shall be made in the index to the report, the part of the registration statement or document or opinion, containing the consent.

- (b) Where the filing of a written consent is required with respect to material incorporated by reference to a previously filed registration statement under Section 12 of the Code or under the Revised Securities Act, such consent may be filed as exhibit to the material incorporated by reference. Such consents shall be dated and manually signed.

(21) Power of Attorney

- (a) If a person signs a registration statement or report pursuant to a power of attorney, a manually signed copy of the power of attorney shall be filed. Where the power of attorney is contained elsewhere in the registration statement or documents filed therewith, a reference shall be made in the index to where it is located. In addition, if an officer signs a registration statement for the registrant by a power of attorney, a certified copy of a resolution of the registrant's board of directors authorizing such signature shall also be filed. A power of attorney that is filed with the Commission shall relate to a specific filing or an amendment thereto. A power of attorney that confers general authority shall not be filed with the Commission.
- (b) Where the registrant is not formed, organized and existing under the laws of the Philippines, or is not domiciled in the Philippines, a written, manually signed power of attorney shall be filed which has been certified and authenticated in accordance with law, designating some individual person, who shall be a resident of the Philippines, on whom any summons and other legal processes may be served in all actions or other legal proceedings against him, and consenting that service upon such resident agent shall be admitted as valid and proper service upon the registrant, and if at anytime that service cannot be made upon such resident agent, service shall be made upon the Commission.

(22) Statement Of Eligibility Of Trustee

A statement of eligibility and qualification of each person designated to act as trustee, under an indenture.

(23) Exhibits to be Filed With **Commercial Papers/Bond Issues**

- (a) **Credit rating report;**
- (b) **In case of bond or long-term commercial papers issues under collateral condition of registration, the following shall be filed:**
  - (i) Board of Director's Certificate certifying that the stockholders owning at least a majority of the subscribed capital stock authorized the issuance and registration of the bonds signed by the Chairman/President and majority of the Board of Directors;
  - (ii) A resolution of the Board of Directors, signed by at least a majority of its members, containing the following:



- (A) designation of at least two (2) senior officers with a rank of vice president or higher or their equivalent to sign the bond instrument to be issued;
  - (B) sample forms of the bond showing the terms and conditions, the face value, interest rate (where applicable), date or maturity.
- (iii) **Supporting documents on proper valuation of collateralized property:**
- (A) report of an independent SEC accredited appraiser;
  - (B) photocopy of Original Certificate of Title or Transfer Certificate of Title with a certification as to authenticity and genuineness of the title from the register of deeds of the province/city where the property is situated;
  - (C) latest tax declaration on real estate mortgage.
- (iv) trust indenture executed by and between the company and the trustee bank.
- (v) certification from the trustee that he has received the following documents:
- (A) Owner's duplicate copies of Original Certificate of Title or Transfer Certificate of Title
  - (B) Real estate mortgages, chattel mortgages and pledge agreements duly registered with the appropriate government agencies.
- (24) Exhibits to be Filed with Stock Options Issues
- (a) Board of Director's resolution authorizing the issuance of stock options.
  - (b) Certification from the Corporate Secretary as to the stockholders meeting approving the grant of stock options to directors, managing groups or officers.
- (25) Exhibits to be Filed by Investment Companies
- (a) Copies of proposed management contracts, distributorship, underwriting and escrow or custodial agreements, and other contracts pertaining to the investment, management or sale of securities.
  - (b) Certification, under oath, by the President and Chairman of the Board, or their equivalent in rank, describing the involvement, if any, by management or members of the Board of Directors in companies which the investment company will be dealing with.
- (26) Notarized Curriculum Vitae and Recent Photographs of Officers and Directors

(27) Copy of Board of Investment certificate in the case of Board of Investment registered companies.

(28) Authorization to Commission to access registrant's bank accounts.

Part VI, paragraph (N) of this Annex requires all registrants to submit with its registration statement a continuing authorization to the Commission to examine the issuer's bank accounts and those of its subsidiaries, affiliates and control corporations.

(29) Additional Exhibits

Any additional **and material exhibits which the Commission may require or** which the registrant may wish to file shall be so marked as to indicate clearly the subject matters to which they refer. They shall be listed and described in the exhibit index.

(30) Copy of the Board Resolution approving the securities offering and authorizing the filing of the registration statement.

(31) Duly verified resolution of the issuer's Board of Directors

(a) The resolution shall be dated and manually signed by a majority of the issuer's Board of Directors, in their capacity as directors.

(b) The Board of Directors shall approve the disclosures contained in the registration statement and assume responsibility for the information contained therein.

(32) **Secretary's Certificate certifying that the company's Board of Directors has adopted an affirmative resolution with respect to the following matters:**

- **Submission of a Manual of Corporate Governance (if not yet filed);**
- **Adoption of a Fit and Proper Rule for the selection of corporate directors and officers;**
- **Submission of an Undertaking allowing the SEC to resolve conflicting issues regarding the selection of independent directors.**

(33) Exhibits to be filed for proprietary or non-proprietary shares issues

(a) Notarized undertaking that in the event the project for which the securities are sold is not completed as disclosed, it shall refund all investments of purchasers within ten (10) days from written demand.

(b) Copy of the Subscription Agreement containing the required undertaking under paragraph (a) above.

(c) Copy of Credit Line Agreement with a bank *of sufficient standing*. Such credit line shall be availed of *in the event* of insufficiency of fund for the completion of the project *as originally stated*. The terms of the agreement shall be disclosed in the prospectus.

- (d) Copy of house/membership rules and regulations;
- (e) Copy of brochures and other selling materials;
- (f) Copy of the Environmental Compliance Certificate (ECC);
- (g) Certified True Copy of Certificate of Title of Real Property;
- (h) Copy of Lease Contract (if property is under lease);
- (i) Copy of Trust Agreement (if timeshares);
- (j) Copy of Custodian Agreement with a bank;
- (k) Copy of Development Agreement, if any.

**(34) Exhibits to be filed for Warrant Issues**

- (a) Copy of a Warrant Certificate;
- (b) Copy of a Warrant Instrument or a deed containing the terms and conditions of the warrant.