

Rule 14 – Amendments on the Registration Statement and Prospectus

14.1. For purposes of this Rule, material information shall include, but not be limited to, the following:

14.1.1. Any event or transaction which increases or creates a risk on the investments or on the securities covered by the registration;

14.1.2. Increase or decrease in the volume of the securities being offered at an issue price higher or lower than the range set and disclosed in the registration statement and which results to a derogation of the rights of existing security holders, as may be determined by the Commission;

14.1.3. Major change in the primary business of the Issuer;

14.1.4. Reorganization of the company;

14.1.5. Loss, deterioration or substitution of the property underlying the securities;

14.1.6. Ten percent (10%) or more change in the financial condition or results of operation of the Issuer unless a report to that effect has been filed with the Commission and furnished the prospective purchaser;

14.1.7. Classification, de-classification or re-classification of securities which results to the derogation of the rights of existing security holders, as may be determined by the Commission.

14.2. If a registration statement or prospectus on file with the Commission becomes incomplete or inaccurate in any material respect or if the Issuer wants to change any material information therein after a current report or SEC Form 17-C has been filed, the Issuer shall:

14.2.1. File an amendment to the registration statement with the Commission explaining in detail all proposed changes which shall be reviewed by the Commission in accordance with Section 14 of the Code;

14.2.2. If the registration statement has been declared effective by the Commission, publish a notice of the proposed amendment/s, including the reasons for the amendments, in two (2) national newspapers of general circulation in the Philippines stating that the offering in its current form has been amended;

14.2.3. If the changes shall result in a derogation of the rights of existing security holders or purchasers of securities or, membership

certificates who have paid a portion of the selling price, the Issuer may include in the above-mentioned publication an offer to rescind all transactions that have been completed for sale to date, without making any deduction pursuant to SRC Rule 14.2.4 and wait for thirty (30) days for the purchasers to respond to the rescission offer before initiating the amended offering;

14.2.4. If the conditions under SRC Rule 14.2.3 are present, the purchasers may, within thirty (30) days from the date of such notification, renounce their purchase of the said securities. Upon such renunciation, the Issuer, or any person acting on behalf of the Issuer in connection with the distribution of the said securities, shall, within ten (10) days from receipt of notification of such election, return the payments made by security holders or purchasers of securities, or membership certificates. Purchasers who decide not to renounce their purchase of securities shall be subject to the terms of the amended offering; and

14.2.5. In case of an increase in the volume or offering price of the securities to a level higher than the range previously disclosed by the Issuer, the amended registration statement or prospectus shall be accompanied by a filing fee based on the difference between the highest aggregate amount in relation to the previous range and the total amount based on the new volume or price. For amendments other than the offering price, the filing fee for the amended registration statement or prospectus shall be in such amount as the Commission may determine.

14.3. If the Commission learns that the prospectus is on its face incomplete or inaccurate in any material respect, or there is a material omission in it, it may require Issuer to comply with SRC Rule 14.2, or suspend or revoke its registration under Section 13 or 15 of the Code.

14.4. If non-material information stated in the prospectus changes, the Issuer shall file a report on SEC Form 17-C on the said changes prior to making any amendments in the registration statement. The proposed amendments shall be considered part of the original disclosure unless the Commission, within twenty (20) business days from receipt of such report, requires the Issuer to explain such changes.

14.5. Every amendment of a registration statement shall be signed by the persons specified in Section 12.4 of the Code or by any executive officer duly authorized by the board of directors. The final registration statement and prospectus shall, however, be signed by all the required signatories under Section 12.4 of the Code.

14.6. The Issuer shall file with the Commission one (1) complete, unmarked copy of every amendment, including exhibits and other papers and documents filed as part of the amendment and one (1) additional copy, marked to indicate clearly and precisely, by underlining or in some other appropriate manner, the changes effected in the registration statement by the amendment. Four (4) copies of the amended registration statement and prospectus shall be signed by the required signatories and filed with the Commission.

14.7. A copy of every amendment relating to a certified financial statements shall include the consent of the certifying accountant on the use of his certificate in the amended financial statements in the registration statement or prospectus and to being named as having certified such financial statements.

14.8. The date on which the amendments are received by the Commission shall be considered their date of filing if all the requirements of the Code and these Rules have been complied with.

14.9. The Commission may, taking into consideration the interests of the investors, order the publication in a national newspaper of general circulation of its order rendering effective the amended registration statement.