SEC MEMORANDUM CIRCULAR NO. 11
Series of 2025

TO : ALL CONCERNED

SUBJECT : PROVIDING FURTHER GUIDELINES ON EXEMPT TRANSACTIONS UNDER SECTION 10 OF REPUBLIC ACT (RA) NO. 8799 OR THE "SECURITIES REGULATION CODE" (SRC), AMENDING FOR THE PURPOSE RULE 10 OF THE 2015 IMPLEMENTING RULES AND REGULATIONS OF THE SRC

WHEREAS, Section 10.1 of the SRC enumerates transactions that are exempt from the requirement of registration under Subsection 8.1 of the SRC;

WHEREAS, Section 10.2 of the SRC grants the Commission the power to exempt transactions other than those listed in Section 10.1 of the SRC if the Commission finds that the requirements of registration are not necessary in the public interest or for the protection of the investors, such as by reason of the small amount involved or the limited character of the public offering;

WHEREAS, Section 10.3 of the SRC prescribes that any person applying for an exemption shall file with the Commission a notice identifying the exemption relied upon and shall pay a fee equivalent to one-tenth (1/10) of one percent (1%) of the maximum aggregate price or issued value of the securities;

WHEREAS, Rule 10.1 paragraph 2 of the 2003 Implementing Rules and Regulations of the SRC (2003 SRC-IRR) states that no notice of exemption or fee shall be required for any transaction covered by Section 10.1. of the SRC, except those covered by subparagraphs (k) and (l) or sale to not more than nineteen (19) persons and to qualified buyers, respectively, while SRC Rule 10.1 paragraph 4 thereof provides for a remedy of obtaining confirmation of exemption by filing a duly accomplished SEC Form 10.1 with the corresponding filing fee;

WHEREAS, Section 4 of SEC Memorandum Circular (MC) No. 9, series of 2008, requires all companies that want to apply for listing at the Philippine Stock Exchange (PSE) to accomplish and submit to the Commission SEC Form 10.1 prior to listing;

WHEREAS, Rule 10.3 (Application for Confirmation of Exemption) and Rule 10.3.1 of the 2015 SRC-IRR appear to require confirmation and payment of fees from any person applying or seeking for exemption on all transactions contemplated under Section 10 of SRC;

WHEREAS, there is a need for prospective guidance to the public on the applicability of the requirement to obtain confirmations of exemption under Section 10 of the SRC, consistent with the policy of the Commission to improve ease of doing business, facilitate access to the capital market, and provide predictability in government transactions, all while ensuring protection to the investing public; and

WHEREAS, Section 72 of the SRC vests upon the Commission the authority to make, issue, amend, and rescind rules and regulations and orders which are necessary or appropriate to the exercise of the powers conferred upon it in the SRC;

NOW THEREFORE, the Commission hereby issues the following Guidelines on Exempt Transactions under Section 10 of the SRC:

F21

Published:
Philippine Daily Inquirer, 16 September 2025
Philippine Star, 16 September 2025

Filed with UP Law Center: 15 September 2025

Section 1. INSERTION OF RULE 10.1.2. ON THE OPTIONAL APPLICATION FOR CONFIRMATION OF EXEMPT TRANSACTION UNDER SECTION 10.1 OF THE CODE

A new provision under Rule 10.1.2. of the 2015 SRC-IRR on the Optional Application for Confirmation of Exempt Transaction under Section 10.1 of the Code is hereby introduced, as follows:

"**10.1.2.** ***Optional Application for Confirmation of Exempt Transaction***

10.1.2.1. No notice or payment of fee is necessary for exempt transactions under Section 10.1 of the Code. However, if the Issuer deems it necessary to seek confirmation on the nature of the transaction as being exempt under Section 10.1 of the Code or for other reasons, it shall file an Application for Confirmation of Exempt Transaction and shall pay to the Commission a fee equivalent to one-tenth (1/10) of one percent (1%) of the maximum aggregate price or issued value, pursuant to Section 10.3 of the Code."

Section 2. AMENDMENTS TO AND RENUMBERING OF RULE 10.1.2 PROVISIONS ON RESTRICTIONS FOR TRANSACTIONS UNDER SECTION 10.1(k) OF THE CODE

The provisions under Rule 10.1.2. of the 2015 SRC-IRR are hereby amended and renumbered, as follows:

"**10.1.3.** ***Restrictions for Transactions under Section 10.1 (k) of the Code***

10.1.3.1. Sections 8 and 12 of the Code are violated if (a) the number of persons holding the ~~exempt~~ security that is subject of an exempt transaction under Section 10.1 (k) exceeds nineteen (19) within a twelve (12) month period or (b) the sale, offer for sale, or distribution of a security, which is not exempt or which does not fall under an exempt transaction, is actively solicited from or marketed indiscriminately to the public ~~to non-qualified buyers~~ in the Philippines by any person or entity, including its agents, representatives, employees or any person acting on its behalf.

In proper cases, the Issuer of the security and its directors and officers shall be held liable.

10.1.3.2. A *prima facie* presumption of circumvention of Sections 8 and 12 of the Code shall arise when the number of non-qualified investors shall exceed nineteen (19) within one (1) year. The Issuer shall be liable for penalty in accordance with the Scale of Fines of the Commission, without prejudice to other actions which may be taken against the Issuer.

If the original purchaser/s shall resell said securities resulting in more than nineteen (19) holders, Sections 8 and 12 of the SRC shall apply, notwithstanding the exemption of their issuances, unless such succeeding sale shall qualify as an exempt transaction.

10.1.3.3. Debt instruments issued by companies without quasi-banking licenses in excess of One Hundred Fifty Million Pesos (PhP150,000,000) or such higher amount as the Commission may prescribe shall require prior approval by the Commission.

10.1.3.4. ~~A confirmation of exemption~~ An exempt transaction under Section 10.1 (k), shall be subject to the following terms and conditions:

10.1.3.4.1. The Issuer or seller ~~claiming relief~~ shall not engage in any form of general solicitation or advertising in that connection;

10.1.3.4.2. Securities sold in any such transaction may only be sold to persons purchasing for their own account;

ƒ2L

10.1.3.4.3. The sale may be made to not more than nineteen (19) buyers. A corporation, partnership, or other entity shall be counted as one buyer; Provided, that if the entity is organized for the specific purpose of acquiring the securities offered and is not a qualified buyer under Section 10.1 (1) of the Code, or under these Rules, then each beneficial owner of equity securities in the entity shall be counted as a separate buyer under this Rule;

10.1.3.4.4. The issuer or seller provides any person to whom it offers for sale or sells securities the following information in writing:

10.1.3.4.4.1. Name of the Issuer or seller and its or his predecessor, if any;

10.1.3.4.4.2. Address of its principal executive office;

10.1.3.4.4.3. Place of incorporation;

10.1.3.4.4.4. Title and class of the security;

10.1.3.4.4.5. Par or issue value of the security;

10.1.3.4.4.6. Number of shares or total amount of securities outstanding as of the end of the Issuer's most recent fiscal year;

10.1.3.4.4.7. Name and address of the transfer agent;

10.1.3.4.4.8. Nature of the Issuer's business;

10.1.3.4.4.9. Nature of products or services offered;

10.1.3.4.4.10. Nature and extent of the Issuer's facilities;

10.1.3.4.4.11. Name of the chief executive officer and members of the board of directors;

10.1.3.4.4.12. The Issuer's most recent financial statement for the two preceding fiscal years or such shorter period of existence;

10.1.3.4.4.13. Whether the person offering or selling the securities is affiliated, directly or indirectly, with the Issuer;

10.1.3.4.4.14. Whether the offering is being made directly or indirectly on behalf of the Issuer, or any director, officer or person who owns directly or indirectly more than ten percent (10%) of the outstanding shares of any equity security of the Issuer and, if so, the name of such person; and

10.1.3.4.4.15 Information required under SRC Rule 10.1.1; Provided, however, that if the Issuer is a reporting company under Section 17 of the Code, a copy of its most recent annual report may be used to provide the required information."

Section 3. RENUMBERING OF PROVISIONS PERTAINING TO TRANSACTIONS INVOLVING QUALIFIED BUYERS UNDER SECTION 10.1(l) OF THE CODE

Moreover, Rules 10.1.3, 10.1.11.1., and 10.1.4. of the 2015 SRC-IRR are hereby renumbered as follows:

FZL

"**10.1.4.** ***Offer or Sale of Securities to Qualified Buyers under Section 10.1 (l) of the Code.***

Sections 8 and 12 shall not likewise apply to securities issued and sold to the following qualified buyers:

10.1.4.1. Bank;

10.1.4.2. Registered investment house;

10.1.4.3. Insurance company;

10.1.4.4. Pension fund or retirement plan maintained by the Government of the Philippines or any political subdivision thereof or managed by a bank or other persons authorized by the BSP to engage in trust functions;

10.1.4.5. Investment company; or

10.1.4.6. Such other person as the Commission may by rule determine as qualified buyers, on the basis of such factors as financial sophistication, net worth, knowledge, and experience in financial and business matters, or amount of assets under management.

10.1.5. ***Qualified Buyers Under Section 10.1 (l)(vi) of the Code***

10.1.5.1. For purposes of Section 10 of the Code, a **natural person** shall be considered a qualified individual buyer if he has registered as such with entities that are authorized by the Commission to act as registrar of qualified buyers pursuant to the rules provided under SRC Rule 39.1.4.

A natural person must possess the following qualifications:

10.1.5.1.1. Has an annual gross income of at least Ten Million Pesos (Php10,000,000.00) at least two (2) years prior to registration, or a total portfolio investment in securities registered with the Commission of at least Ten Million Pesos (Php10,000,000.00), or a personal net worth of not less than Thirty Million Pesos (Php30,000,000.00); and

10.1.5.1.2. Has been engaged in securities trading personally or through a fund manager for a minimum period of one (1) year, or has held for at least two (2) years a position of responsibility in any professional business entity that requires knowledge or expertise in securities trading, such as, legal consultant, financial adviser, sales person, or associated person of a broker-dealer, bank finance or treasury officer, trust officer or other similar executive officers.

10.1.5.2. If the buyer is a **juridical person**, it shall, at the time of registration with an authorized registrar, (i) have gross assets of at least One Hundred Million Pesos (Php100,000,000.00) or (ii) a total portfolio investment in securities registered with the Commission or financial instruments issued by the government of at least Sixty Million Pesos (Php60,000,000.00).

10.1.5.3. All persons registering as qualified buyers shall, in addition, show proof that they possess the above-enumerated qualifications and submit under oath certified copies of the documents or their equivalent that show the following matters:

10.1.5.3.1. Total portfolio of securities;

10.1.5.3.2. Annual gross income;

10.1.5.3.3. Their net worth; and

10.1.5.3.4. Threshold risk (low, medium, high risk).

FEL

10.1.5.4. The registration as qualified buyers shall be valid for 3 years if the qualifications provided for in 10.1.5.1 and 10.1.5.2 above are continuously complied with. Any application for renewal shall be subject to new evaluation by the registrar and accompanied by updated information sheets. For this purpose, the registrar shall maintain a registry book of qualified buyers that shall be open for inspection by the Commission.

10.1.6. ***Issuance of evidence of indebtedness to primary institutional lenders***

Sections 8 and 12 shall not likewise apply to issuance of evidence of indebtedness to the following primary institutional lenders: banks, including their trust accounts wherein the bank-trustee is granted discretionary powers in the investment disposition of the trust funds, investment houses including their trust accounts wherein the investment house-trustee is granted discretionary powers in the investment disposition of the trust funds, trust companies, financing companies, investment companies, pre-need companies, non-stock savings and loan associations, building and loan associations, venture capital corporations, insurance companies, government financial institutions, pawnshops, pension and retirement funds approved by the BIR, educational assistance funds established by the national government, and other entities that may be classified as primary institutional lenders by the BSP, in consultation with the SEC; *Provided* all such evidence of indebtedness shall only be negotiated or assigned to any of the aforementioned primary institutional lenders or the Development Bank of the Philippines with respect to private development banks in relation with their rediscounting privileges; *Provided* further that in case of non-banks without underwriting licenses, such negotiation or assignment shall be through banks or non-banks licensed to be an underwriter or a securities dealer; *Provided* finally, that in no case shall said instrument be negotiated or assigned to non-qualified investors."

Section 4. DELETION, AMENDMENT, AND RENUMBERING OF CERTAIN PROVISIONS IN RULE 10.1.5 ON THE APPLICATION FOR CONFIRMATION OR DECLARATION OF EXEMPTION

Considering that an Application for Confirmation of Exempt Transaction is optional for transactions falling under Section 10.1 of the Code, Rule 10.1.5.1. of the 2015 SRC-IRR is hereby deleted.

On the other hand, the provisions on the determination of sufficiency of retained earnings and approval of valuation under Sections 42 and 61 of the *Revised Corporation Code*, respectively, in relation to an Application for Confirmation of Exempt Transaction under either Sections 10.1 or 10.2 of the Code are hereby amended and renumbered as follows:

"**10.3.3.** ***Application for Confirmation of Exempt Transaction***

10.3.3.1. In cases where the Issuer avails of the option to apply for a Confirmation of Exempt Transaction under Section 10.1 of the Code or files a mandatory Application for Confirmation of Exempt Transaction under Section 10. 2 of the Code, the following rules shall apply:

10.3.3.1.1. In cases involving the distribution of securities through stock dividends, the Commission shall determine the sufficiency of the retained earnings of the Issuer prior to issuing a Confirmation of ~~exemption~~ Exempt Transaction;

10.3.3.1.2. If the consideration for the offered securities is other than cash, except in the case of issuance of shares by way of stock dividends, an Application for Confirmation of Exempt Transaction shall be filed with the Markets and Securities Regulation Department and the approval of valuation required under Section 61 of the *Revised Corporation Code* shall be processed by the Financial Analysis and Audit Department, subject to the payment of corresponding fees."

F&L

Section 5. RENUMBERING OF RULE 10.1.6. PROVISIONS AND DELETION OF RULE 10.1.6.3. ON EXEMPT COMMERCIAL PAPER TRANSACTIONS

The provisions of Rule 10.1.6 of the 2015 SRC-IRR are hereby amended and renumbered and Rule 10.1.6.3. is hereby deleted, as follows:

10.3.2. ***Exempt Commercial Paper Transactions***

An Issuer of commercial papers applying for a Confirmation for Exempt Transaction under these Rules shall:

10.3.2.1. Attach to the Application for Confirmation of Exempt Transaction a disclosure of the following financial ratios:

$$\text{Current Ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}}$$

$$\text{Debt to Equity Ratio} = \frac{\text{Total Liabilities}}{\text{Stockholders' Equity}}$$

10.3.2.2. Indicate in bold letters on the face of the instrument the words:

NON-NEGOTIABLE/NON-ASSIGNABLE

~~**10.1.6.3** The Issuer of outstanding commercial papers shall also file the prescribed disclosure statement and pay the corresponding fee.~~

Section 6. DELETION OF PROVISION ON ISOLATED TRANSACTIONS UNDER SECTION 10.1(c) AND RENUMBERING OF RULE 10.1.7.2.

Rule 10.1.7.1. of the 2015 SRC-IRR is hereby deleted.

Moreover, Rule 10.1.7.2. of the 2015 SRC-IRR is hereby renumbered, as follows:

"**10.3.5.** The Commission may take any action it may deem appropriate in an Application for Confirmation of Exempt Transaction even if it is filed after the offer or sale of the securities without prejudice to the imposition of penalties if warranted."

Section 7. RENUMBERING OF RULE 10.1.8. AND RULE 10.1.9. ON ADDITIONAL RULES ON EXEMPT TRANSACTIONS UNDER SECTION 10.1 OF THE CODE AND RENUMBERING OF RULE 10.1.10. IN RELATION TO EVASION OF COMPLIANCE WITH THE CODE AND RULES

Rule 10.1.8 and Rule 10.1.9 of the 2015 SRC-IRR are hereby renumbered, as follows:

"**10.1.7.** ***Burden of Proof on the Availability of Exemption***

Unless a Confirmation of ~~exemption~~ Exempt Transaction is issued under this Rule, any person claiming exemption under Section 10.1 of the Code has the burden of proof, if challenged, of showing that it is entitled to the exemption. The Commission may challenge such exemption any time.

FHL

<u>10.1.8.</u> *Exempt from Registration, But Not from Other Requirements and Liabilities*

Notwithstanding that a particular class of securities issued under Section 10.1 is exempt from registration, the conduct by any person in the purchase, sale, distribution of such securities, settlement and other post-trade activities shall comply with the provisions of the Code and the rules issued thereunder.

Moreover, the sale or offer for sale of a security in an exempt transaction under Section 10 of the Code shall not be exempt from civil liability and other related liabilities and other applicable provisions of the Code on fraud, among others.

Consistent with public interest and for the protection of investors, the Commission, may require an Issuer of a class of securities falling under exempt transactions, to make available to investors and file with the Commission periodic disclosures regarding the Issuer, its business operations, its financial condition, its governance principles and practices, its use of investor funds, and other appropriate matters, and may also provide for suspension and termination of such requirement with respect to such Issuer."

Moreover, Rule 10.1.10 of the 2015 SRC-IRR is hereby transferred and renumbered under Rule 10.3 on the *"General Rules on Exempt Transactions and Application for Confirmation of Exempt Transaction"* as it applies both to Applications for Confirmation of Exempt Transaction falling under either Section 10.1 or Section 10.2 of the Code:

"<u>10.3.4.</u> *Exemption Not Available for Scheme to Evade Compliance*

An Application for Confirmation <u>of</u> ~~Exemption~~ <u>Exempt Transaction</u> under Section 10 of the Code shall not be available to any Issuer or other persons to any transaction or chain of transactions that, although it may appear to be in compliance with the Code and these Rules, is a part of a plan or scheme to evade compliance with the registration requirements of the Code. In such cases, registration shall be mandatory."

Section 8. AMENDMENT AND RENUMBERING OF PROVISIONS UNDER RULE 10.2

The provisions under Rule 10.2 of the 2015 SRC-IRR are hereby amended and renumbered as follows:

"RULE 10.2

Limited Public Offerings and Other Exempt Transactions

10.2.1. The Commission may exempt other transactions <u>not covered under Section 10.1. of the Code</u>, if it finds that the requirement of registration under the Code is not necessary in the public interest or for the protection of the investors such as by reason of the small amount involved or the limited character of the public offering. <u>In such cases, an Application for Confirmation of Exempt Transaction must be filed with the Markets and Securities Regulation Department, pursuant to Section 10.3 of the Code.</u>

10.2.2. For a public offering to be considered of limited character, the covered securities should be available only to the parties or persons named in the Application for <u>C</u>onfirmation of ~~exemption~~ <u>Exempt Transaction</u> for a specified period.

10.2.3. The following documents shall be submitted in support of an Application for Confirmation of ~~exemption~~ <u>Exempt Transaction</u> under Section 10.2 of the Code:

10.2.3.1. Letter-request which shall contain the following information:

10.2.3.1.1. Registered name of the applicant;

10.2.3.1.2. Primary purpose of the applicant;

10.2.3.1.3. Number of option shares to be issued, if any;

10.2.3.1.4. Corresponding position of the optionees or persons to whom the offer shall be made, as may be applicable;

10.2.3.1.5. Latest audited financial statements of the applicant;

FEL

10.2.3.1.6. If applicable, the names and addresses of the applicant's subsidiaries and affiliate companies and their dates of registration with the Commission; issue price or exchange rate, including its source or basis, of the option shares at the time of filing; and last quoted price of the option shares and such other relevant features, terms and conditions of the plan.

10.2.3.2. Notarized certificate of the Corporate Secretary of the applicant Issuer attesting to the following:

10.2.3.2.1. Approval by the applicant's Board of Directors and required stockholders' approval of the stock offering plan ("the Plan");

10.2.3.2.2. Genuineness and due execution of the Plan, a copy of which shall be attached to the certificate;

10.2.3.2.3. If applicable, a breakdown of the number of shares earlier exempted from registration (citing SEC Resolution and date of approval), the shares subscribed by the optionees, and the remaining unissued shares computed on a year-to-year basis, and an explanation on why the applicant has renewed its application in spite of the availability of unissued shares;

10.2.3.2.4. A Certification of the Human Resource Head or any position of equivalent nature that the optionee-employees were given a copy of the Plan to enable them to make an intelligent judgment on the advantages and disadvantages of the Plan;

10.2.3.2.5. If the Issuer is a foreign corporation, it should state whether the terms and conditions of the Plan in the Philippines are the same as that in other jurisdictions and an undertaking that the optionees of the plan will have continuous access on the key performance indicators of the company;

10.2.3.2.6. All documents executed abroad shall be in English and authenticated by the Philippine Embassy or Consulate where the documents were executed; and

10.2.3.2.7. If applicable, a listing of persons and their corresponding position(s) in whose favor such grant or issuance of options is to be made, indicating the number of shares to be given to each, or if this could not yet be ascertained, the formula to be used in determining such number of shares, and issue price.

10.2.4. Issuers, as well as the participating subsidiary, affiliate, branch office or any other entity-optionee, granted exemption under this Rule shall submit to the Commission, on or before the 10th of January of each year following the date of the grant until full issuance, a report containing the necessary details of the grant, such as but not limited to, the names of actual optionees and the number of shares subscribed by them, or such other reports and for such period as the Commission may from time to time require.

10.2.5. Any person applying for confirmation of an exemption under Section 10.2 of the Code shall file with the Commission an Application for Confirmation of Exempt Transaction and shall pay a fee equivalent to one-tenth (1/10) of one percent (1%) of the maximum aggregate price or issued value of the securities, pursuant to Section 10.3 of the Code. The Corporate Secretary of the Issuer shall submit a sworn undertaking to pay the additional filing fee should there be an increase in price of the securities at the time of grant."

On the other hand, Rule 10.2.6. of the 2015 SRC-IRR is hereby amended and renumbered to be included under the provisions of Rule 10.3 retitled as *"General Rules on Exempt Transactions and Application for Confirmation of Exempt Transaction"*:

FZL

"**10.3.1.** No securities sold under exempt transactions pursuant to Section 10.1 or granted exemption under Section 10.2 hereof shall be subsequently offered for sale or sold to the public without prior registration, unless such subsequent offer or sale likewise qualifies or has been confirmed as an exempt transaction, pursuant to Section 10 of the Code."

Section 9. DELETION OF RULE 10.3.1. ON THE APPLICATION FOR CONFIRMATION OF EXEMPTION

Rule 10.3.1. of the 2015 SRC-IRR is hereby deleted as rules on the filing of an optional and mandatory Application for Confirmation of Exemption for transactions under Section 10.1 and Section 10.2 of the Code, respectively, have been separately provided accordingly.

Section 10. REPEALING CLAUSE

SEC MC No. 9, s. 2008, any other existing Commission rule, circular, order, memorandum, or any part thereof, and such other rules approved by the Commission, that are inconsistent or in conflict with the foregoing are hereby repealed or modified accordingly.

Section 11. TRANSITORY PROVISION

For the avoidance of doubt, transactions being claimed as falling within the Exempt Transactions under Section 10.1 of the Code, and for which no notice or confirmation of exemption has been filed but has otherwise been brought to the attention of the Commission prior to the effectivity of this Circular, by way of SEC Form 10.1, among others; shall hereafter be treated in accordance with the provisions of this Circular.

Section 12. EFFECTIVITY

This Circular shall take effect immediately after its publication in two (2) newspapers of national circulation.

Done this 9th of September, 2025 in Makati City, Philippines.

For the Commission:

FRANCISCO ED. LIM
Chairperson

RULE 10.1

Exempt Transactions

10.1.1. *Disclosure to Investors*

Any person claiming exemption under Section 10.1 of the Code shall provide to any party to whom it offers or sells securities in reliance on such exemption a written disclosure containing the following information:

10.1.1.1. The specific provision of Section 10.1 of the Code on which the exemption from registration is claimed; and

10.1.1.2. The following statement in bold face:

> THE SECURITIES BEING OFFERED OR SOLD HEREIN HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES REGULATION CODE. ANY FUTURE OFFER OR SALE OF THE SECURITIES IS SUBJECT TO THE REGISTRATION REQUIREMENTS UNDER THE CODE UNLESS SUCH OFFER OR SALE QUALIFIES AS AN EXEMPT TRANSACTION.

10.1.2. *Optional Application for Confirmation of Exempt Transaction*

10.1.2.1. No notice or payment of fee is necessary for exempt transactions under Section 10.1 of the Code. However, if the Issuer deems it necessary to seek confirmation on the nature of the transaction as being exempt under Section 10.1 of the Code or for other reasons, it shall file an Application for Confirmation of Exempt Transaction and shall pay to the Commission a fee equivalent to one-tenth (1/10) of one percent (1%) of the maximum aggregate price or issued value, pursuant to Section 10.3 of the Code.

10.1.3. *Restrictions for Transactions under Section 10.1 (k) of the Code*

10.1.3.1. Sections 8 and 12 of the Code are violated if (a) the number of persons holding the ~~exempt~~ security that is subject of an exempt transaction under Section 10.1 (k) exceeds nineteen (19) within a twelve (12) month period or (b) the sale, offer for sale, or distribution of a security, which is not exempt or which does not fall under an exempt transaction, is actively solicited from or marketed indiscriminately to the public ~~to non-qualified buyers~~ in the Philippines by any person or entity, including its agents, representatives, employees or any person acting on its behalf.

In proper cases, the Issuer of the security and its directors and officers shall be held liable.

10.1.3.2. A *prima facie* presumption of circumvention of Sections 8 and 12 of the Code shall arise when the number of non-qualified investors shall exceed nineteen (19) within one (1) year. The Issuer shall be liable for penalty in accordance with the Scale of Fines of the Commission, without prejudice to other actions which may be taken against the Issuer.

If the original purchaser/s shall resell said securities resulting in more than nineteen (19) holders, Sections 8 and 12 of the SRC shall apply, notwithstanding the exemption of their issuances, unless such succeeding sale shall qualify as an exempt transaction.

F&L

10.1.3.3. Debt instruments issued by companies without quasi-banking licenses in excess of One Hundred Fifty Million Pesos (PhP150,000,000) or such higher amount as the Commission may prescribe shall require prior approval by the Commission.

10.1.3.4. ~~A confirmation of exemption~~ An exempt transaction under Section 10.1 (k), shall be subject to the following terms and conditions:

10.1.3.4.1. The Issuer or seller ~~claiming relief~~ shall not engage in any form of general solicitation or advertising in that connection;

10.1.3.4.2. Securities sold in any such transaction may only be sold to persons purchasing for their own account;

10.1.3.4.3. The sale may be made to not more than nineteen (19) buyers. A corporation, partnership, or other entity shall be counted as one buyer; Provided, that if the entity is organized for the specific purpose of acquiring the securities offered and is not a qualified buyer under Section 10.1 (1) of the Code, or under these Rules, then each beneficial owner of equity securities in the entity shall be counted as a separate buyer under this Rule;

10.1.3.4.4. The issuer or seller provides any person to whom it offers for sale or sells securities the following information in writing:

10.1.3.4.4.1. Name of the Issuer or seller and its or his predecessor, if any;

10.1.3.4.4.2. Address of its principal executive office;

10.1.3.4.4.3. Place of incorporation;

10.1.3.4.4.4. Title and class of the security;

10.1.3.4.4.5. Par or issue value of the security;

10.1.3.4.4.6. Number of shares or total amount of securities outstanding as of the end of the Issuer's most recent fiscal year;

10.1.3.4.4.7. Name and address of the transfer agent;

10.1.3.4.4.8. Nature of the Issuer's business;

10.1.3.4.4.9. Nature of products or services offered;

10.1.3.4.4.10. Nature and extent of the Issuer's facilities;

10.1.3.4.4.11. Name of the chief executive officer and members of the board of directors;

10.1.3.4.4.12. The Issuer's most recent financial statement for the two preceding fiscal years or such shorter period of existence;

10.1.3.4.4.13. Whether the person offering or selling the securities is affiliated, directly or indirectly, with the Issuer;

10.1.3.4.4.14. Whether the offering is being made directly or indirectly on behalf of the Issuer, or any director, officer or person who owns directly

FZL

or indirectly more than ten percent (10%) of the outstanding shares of any equity security of the Issuer and, if so, the name of such person; and

10.1.3.4.4.15 Information required under SRC Rule 10.1.1; Provided, however, that if the Issuer is a reporting company under Section 17 of the Code, a copy of its most recent annual report may be used to provide the required information.

10.1.4. ***Offer or Sale of Securities to Qualified Buyers under Section 10.1 (l) of the Code.***

Sections 8 and 12 shall not likewise apply to securities issued and sold to the following qualified buyers:

10.1.4.1. Bank;

10.1.4.2. Registered investment house;

10.1.4.3. Insurance company;

10.1.4.4. Pension fund or retirement plan maintained by the Government of the Philippines or any political subdivision thereof or managed by a bank or other persons authorized by the BSP to engage in trust functions;

10.1.4.5. Investment company; or

10.1.4.6. Such other person as the Commission may by rule determine as qualified buyers, on the basis of such factors as financial sophistication, net worth, knowledge, and experience in financial and business matters, or amount of assets under management.

10.1.5. ***Qualified Buyers Under Section 10.1 (l)(vi) of the Code***

10.1.5.1. For purposes of Section 10 of the Code, a **natural person** shall be considered a qualified individual buyer if he has registered as such with entities that are authorized by the Commission to act as registrar of qualified buyers pursuant to the rules provided under SRC Rule 39.1.4.

A natural person must possess the following qualifications:

10.1.5.1.1. Has an annual gross income of at least Ten Million Pesos (Php10,000,000.00) at least two (2) years prior to registration, or a total portfolio investment in securities registered with the Commission of at least Ten Million Pesos (Php10,000,000.00), or a personal net worth of not less than Thirty Million Pesos (Php30,000,000.00); and

10.1.5.1.2. Has been engaged in securities trading personally or through a fund manager for a minimum period of one (1) year, or has held for at least two (2) years a position of responsibility in any professional business entity that requires knowledge or expertise in securities trading, such as, legal consultant, financial adviser, sales person, or associated person of a broker-dealer, bank finance or treasury officer, trust officer or other similar executive officers.

FRL

10.1.5.2. If the buyer is a **juridical person**, it shall, at the time of registration with an authorized registrar, (i) have gross assets of at least One Hundred Million Pesos (Php100,000,000.00) or (ii) a total portfolio investment in securities registered with the Commission or financial instruments issued by the government of at least Sixty Million Pesos (Php60,000,000.00).

10.1.5.3. All persons registering as qualified buyers shall, in addition, show proof that they possess the above-enumerated qualifications and submit under oath certified copies of the documents or their equivalent that show the following matters:

10.1.5.3.1. Total portfolio of securities;

10.1.5.3.2. Annual gross income;

10.1.5.3.3. Their net worth; and

10.1.5.3.4. Threshold risk (low, medium, high risk).

10.1.5.4. The registration as qualified buyers shall be valid for 3 years if the qualifications provided for in 10.1.4.1 and 10.1.4.2 above are continuously complied with. Any application for renewal shall be subject to new evaluation by the registrar and accompanied by updated information sheets. For this purpose, the registrar shall maintain a registry book of qualified buyers that shall be open for inspection by the Commission.

10.1.6. ***Issuance of evidence of indebtedness to primary institutional lenders***

Sections 8 and 12 shall not likewise apply to issuance of evidence of indebtedness to the following primary institutional lenders: banks, including their trust accounts wherein the bank-trustee is granted discretionary powers in the investment disposition of the trust funds, investment houses including their trust accounts wherein the investment house-trustee is granted discretionary powers in the investment disposition of the trust funds, trust companies, financing companies, investment companies, pre-need companies, non-stock savings and loan associations, building and loan associations, venture capital corporations, insurance companies, government financial institutions, pawnshops, pension and retirement funds approved by the BIR, educational assistance funds established by the national government, and other entities that may be classified as primary institutional lenders by the BSP, in consultation with the SEC; *Provided* all such evidence of indebtedness shall only be negotiated or assigned to any of the aforementioned primary institutional lenders or the Development Bank of the Philippines with respect to private development banks in relation with their rediscounting privileges; *Provided* further that in case of non-banks without underwriting licenses, such negotiation or assignment shall be through banks or non-banks licensed to be an underwriter or a securities dealer; *Provided* finally, that in no case shall said instrument be negotiated or assigned to non-qualified investors.

10.1.7. ***Burden of Proof on the Availability of Exemption***

Unless a Confirmation of ~~exemption~~ Exempt Transaction is issued under this Rule, any person claiming exemption under Section 10.1 of the Code has the burden of proof, if challenged, of showing that it is entitled to the exemption. The Commission may challenge such exemption any time.

10.1.8. ***Exempt from Registration, But Not from Other Requirements and Liabilities***

Notwithstanding that a particular class of securities issued under Section 10.1 is exempt from registration, the conduct by any person in the purchase, sale, distribution of such securities, settlement and other post-trade activities shall comply with the provisions of the Code and the rules issued thereunder.

FSL

Moreover, the sale or offer for sale of a security in an exempt transaction under Section 10 of the Code shall not be exempt from civil liability and other related liabilities and other applicable provisions of the Code on fraud, among others.

Consistent with public interest and for the protection of investors, the Commission, may require an Issuer of a class of securities falling under exempt transactions, to make available to investors and file with the Commission periodic disclosures regarding the Issuer, its business operations, its financial condition, its governance principles and practices, its use of investor funds, and other appropriate matters, and may also provide for suspension and termination of such requirement with respect to such Issuer.

RULE 10.2

Limited Public Offerings and Other Exempt Transactions

10.2.1. The Commission may exempt other transactions not covered under Section 10.1. of the Code, if it finds that the requirement of registration under the Code is not necessary in the public interest or for the protection of the investors such as by reason of the small amount involved or the limited character of the public offering. In such cases, an Application for Confirmation of Exempt Transaction must be filed with the Markets and Securities Regulation Department, pursuant to Section 10.3 of the Code.

10.2.2. For a public offering to be considered of limited character, the covered securities should be available only to the parties or persons named in the Application for Confirmation of ~~exemption~~ Exempt Transaction for a specified period.

10.2.3. The following documents shall be submitted in support of an Application for Confirmation of ~~exemption~~ Exempt Transaction under Section 10.2 of the Code:

10.2.3.1. Letter-request which shall contain the following information:

10.2.3.1.1. Registered name of the applicant;

10.2.3.1.2. Primary purpose of the applicant;

10.2.3.1.3. Number of option shares to be issued, if any;

10.2.3.1.4. Corresponding position of the optionees or persons to whom the offer shall be made, as may be applicable;

10.2.3.1.5. Latest audited financial statements of the applicant;

10.2.3.1.6. If applicable, the names and addresses of the applicant's subsidiaries and affiliate companies and their dates of registration with the Commission; issue price or exchange rate, including its source or basis, of the option shares at the time of filing; and last quoted price of the option shares and such other relevant features, terms and conditions of the plan.

10.2.3.2. Notarized certificate of the Corporate Secretary of the applicant Issuer attesting to the following:

10.2.3.2.1. Approval by the applicant's Board of Directors and required stockholders' approval of the stock offering plan ("the Plan");

10.2.3.2.2. Genuineness and due execution of the Plan, a copy of which shall be attached to the certificate;

10.2.3.2.3. If applicable, a breakdown of the number of shares earlier exempted from registration (citing SEC Resolution and date of approval), the shares subscribed by the optionees, and the remaining unissued shares computed on a year-to-year basis, and an explanation on why the applicant has renewed its application in spite of the availability of unissued shares;

FRL

10.2.3.2.4. A Certification of the Human Resource Head or any position of equivalent nature that the optionee-employees were given a copy of the Plan to enable them to make an intelligent judgment on the advantages and disadvantages of the Plan;

10.2.3.2.5. If the Issuer is a foreign corporation, it should state whether the terms and conditions of the Plan in the Philippines are the same as that in other jurisdictions and an undertaking that the optionees of the plan will have continuous access on the key performance indicators of the company;

10.2.3.2.6. All documents executed abroad shall be in English and authenticated by the Philippine Embassy or Consulate where the documents were executed; and

10.2.3.2.7. If applicable, a listing of persons and their corresponding position(s) in whose favor such grant or issuance of options is to be made, indicating the number of shares to be given to each, or if this could not yet be ascertained, the formula to be used in determining such number of shares, and issue price.

10.2.4. Issuers, as well as the participating subsidiary, affiliate, branch office or any other entity-optionee, granted exemption under this Rule shall submit to the Commission, on or before the 10th of January of each year following the date of the grant until full issuance, a report containing the necessary details of the grant, such as but not limited to, the names of actual optionees and the number of shares subscribed by them, or such other reports and for such period as the Commission may from time to time require.

10.2.5. Any person applying for confirmation of an exemption under Section 10.2 of the Code shall file with the Commission an Application for Confirmation of Exempt Transaction and shall pay a fee equivalent to one-tenth (1/10) of one percent (1%) of the maximum aggregate price or issued value of the securities, pursuant to Section 10.3 of the Code. The Corporate Secretary of the Issuer shall submit a sworn undertaking to pay the additional filing fee should there be an increase in price of the securities at the time of grant.

RULE 10.3

~~Application for Confirmation of Exemption~~ General Rules on Exempt Transactions and Application for Confirmation of Exempt Transaction

10.3.1. No securities sold under exempt transactions pursuant to Section 10.1 or granted exemption under Section 10.2 hereof shall be subsequently offered for sale or sold to the public without prior registration, unless such subsequent offer or sale likewise qualifies or has been confirmed as an exempt transaction, pursuant to Section 10 of the Code.

~~**10.3.1.** Any person applying or seeking for confirmation of an exemption under Section 10 of the Code shall file with the Commission a notice identifying the exemption relied upon on such form and at such time as the Commission by rule may prescribe and with such notice shall pay to the Commission a fee equivalent to one-tenth (1/10) of one percent (1%) of the maximum aggregate price or issued value of the securities.~~

10.3.2. ***Exempt Commercial Paper Transactions***

An Issuer of commercial papers applying for a Confirmation of Exempt Transaction under these Rules shall:

FSL

10.3.2.1. Attach to the Application for Confirmation of Exempt Transaction a disclosure of the following financial ratios:

$$\text{Current Ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}}$$

$$\text{Debt to Equity Ratio} = \frac{\text{Total Liabilities}}{\text{Stockholders' Equity}}$$

10.3.2.2. Indicate in bold letters on the face of the instrument the words:

NON-NEGOTIABLE/NON-ASSIGNABLE

~~**10.1.6.3** The Issuer of outstanding commercial papers shall also file the prescribed disclosure statement and pay the corresponding fee.~~

10.3.3. *Application for Confirmation of Exempt Transaction*

10.3.3.1. In cases where the Issuer avails of the option to apply for a Confirmation of Exempt Transaction under Section 10.1 of the Code or files a mandatory Application for Confirmation of Exempt Transaction under Section 10. 2 of the Code, the following rules shall apply:

10.3.3.1.1. In cases involving the distribution of securities through stock dividends, the Commission shall determine the sufficiency of the retained earnings of the Issuer prior to issuing a Confirmation of ~~exemption~~ Exempt Transaction;

10.3.3.1.2. If the consideration for the offered securities is other than cash, except in the case of issuance of shares by way of stock dividends, an Application for Confirmation of Exempt Transaction shall be filed with the Markets and Securities Regulation Department and the approval of valuation required under Section 61 of the *Revised Corporation Code* shall be processed by the Financial Analysis and Audit Department, subject to the payment of corresponding fees."

10.3.4. *Exemption Not Available for Scheme to Evade Compliance*

An Application for Confirmation of ~~Exemption~~ Exempt Transaction under Section 10 of the Code shall not be available to any Issuer or other persons to any transaction or chain of transactions that, although it may appear to be in compliance with the Code and these Rules, is a part of a plan or scheme to evade compliance with the registration requirements of the Code. In such cases, registration shall be mandatory.

10.3.5. The Commission may take any action it may deem appropriate in an Application for Confirmation of Exempt Transaction even if it is filed after the offer or sale of the securities without prejudice to the imposition of penalties if warranted.

F4L

Republic of the Philippines
Department of Finance
SECURITIES AND EXCHANGE COMMISSION
SEC HEADQUARTERS,
Makati Avenue, Salcedo Village, Bel-Air, Makati City, 1209

SEC FORM 10.1
APPLICATION FOR OPTIONAL CONFIRMATION OF EXEMPT TRANSACTION UNDER SECTION 10.1 OF THE SRC

____ ___________________________

Name of issuer whose securities are being offered for sale or sold **Date of Filing**

1. State the provision of Section 10.1 under which the Application for Confirmation of Exempt Transaction is based:

2. Information about the securities for which this Application has been filed:

(a) Title of class of securities being offered for sale/sold	
(b) Form of payment	
(c) Number and price/value of the securities being offered for sale/sold	
(d) Are any of the issuer's securities listed on the Philippine Stock Exchange and, if so, describe which class is listed and latest trading price.	
(e) Are the securities traded on any other trading market and, if so, disclose latest trading price	
(f) Capital structure as of the date prior to this issuance: 1) Authorized capital stock, par value, number of shares and amount	
2) Subscribed capital stock, number of shares and amount	
3) Unissued shares	

3. Additional information about the Issuer and the Securities:

(a) Exact name of issuer as specified in its charter	
(b) Place (province, country or other jurisdiction of incorporation) and date thereof	
(c) SEC Identification Number	
(d) BIR Tax Identification Number	
(e) Address of principal office	
(f) Issuer's telephone number, including area code	
(g) Former name or former address, if any, since filing of last report with the SEC	
(h) Are any of the issuer's securities listed on the Philippine Stock Exchange and, if so, describe which class is listed and latest trading price.	

(i) Other securities registered with the Commission under the Revised Securities Act or the Securities Regulation Code (title of each class, number of shares)	
(j) Describe any other offer for sale/sale of securities by the issuer for the last 12 months for which exemptive relief from registration was claimed under RSA or Section 10.1 of the SRC. This should include the basis of exemption, class of securities, amount and number of investors.	
(k) Name of underwriter or selling agent involved in the sale	

4. If securities are being sold by the owner thereof, please disclose:

(a) Name of Selling Owner or Owner's Representative	
(b) Date of acquisition and from whom (issuer, another person)	
(c) Price of securities when acquired	

5. Terms and Conditions of the Sale:

(a) Date and place of initiation of selling efforts (or proposed date and place of sale if prior confirmation is requested)	
(b) Unless being sold by the issuer or the owner, please disclose name of person selling the securities and his authority	
(c) Lock-Up Period	
(d) Summary of other terms and conditions of the sale.	

6. Information about the Purchaser/Subscriber

For Equity Securities:

☐ Check if purchasers are **existing** stockholders and indicate the number of existing stockholders____

☐ Check if purchasers are **new investors** not exceeding 19 and indicate the number of new investors____

☐ Check if purchasers are **qualified buyers** and indicate the number of new investors________________

(Note: A list containing the information required under this Item shall be filed within 30 days from receipt of confirmation of exemption)

For Debt Securities:

☐ Check if purchasers are **new investors** not exceeding 19 and indicate the number of new investors____

☐ Check if purchasers are **qualified buyers** and indicate the number of new investors________________

(Note: A list containing the information required under this Item shall be filed within 30 days from receipt of confirmation of exemption)

7. Exhibits

In addition to the above information, the applicant hereby submits with this Application for Confirmation of Exempt Transaction the following documents, as may be applicable:

(a) Written Disclosure to Investors containing the required information under SRC Rule 10.1.1. Disclosure to Investors;
(b) Notice to Stockholders containing the required information under SRC Rule 10.1.3.4.4. (*Applicable only to application under SRC 10.1(k));*
(c) Notarized Certificate of the Corporate Secretary attesting to the List of Stockholders/Holders of Securities both prior to and subsequent to the subscription;
(d) Notarized Secretary`s Certificate on no pending case of intra-corporate dispute;
(e) Latest Audited Financial Statements;
(f) Latest Articles of Incorporation;
(g) General Information Sheet (GIS)
(h) Waiver of Pre-emptive rights (of non-subscribing stockholders);
(i) Monitoring Clearance (If applicable, with PAF & OR)
(j) Copy of other materials to be used/used in connection with the offering for sale or sale; and
(k) If the consideration is other than cash, documents supporting the proper valuation of the payment to be received in exchange of the securities to be issued.

As a Listed Company (Additional Documents):

(a) Mandate Letter from Underwriters;
(b) Underwriting Agreement;
(c) Certification of No Remuneration/Compensation;
(d) Prospectus
(e) Notarized Certificate of the Corporate Secretary regarding Board of Directors' and shareholders approval on the proposed issuance;
(f) Undertaking of the Majority Stockholders on the remaining unsubscribed shares (certification from the bank of the sufficient fund); and
(g) Listing Application stamped received by the Listing Department of the PSE.

8. Filing Fees

This ~~notice with an application for confirmation of availability of an exemption under SRC Rule 10.1 of the Code~~ Application for Confirmation of Exempt Transaction under Section 10.1 of the SRC has been submitted along with the payment of the prescribed fee in the amount of P____under Official Receipt No.______________________. *(Fill this up if applicable only)*

SIGNATURES

The undersigned hereby certifies that the exemption applied for hereunder is available and all requirements set forth in SRC Rule <u>10.1, as may be a applicable,</u> have been complied with.

Pursuant to the requirements of the Code and SRC Rule 10.1 thereunder ____________________________________
(Name of Seller)
has caused this certification to be signed on its behalf by a duly authorized person who, in case of a juridical person, shall be the President thereof.

Date: _______________________________

By:__________________________________
President

SUBSCRIBED AND SWORN to before me on this____________day of___________at___________________________
affiant exhibited to me his/her________________issued on_______________on __________________.

NOTARY PUBLIC

Doc No.:___________
Page No.___________
Book No.___________
Series of 20_________

The applicant shall file with the Commission two (2) copies of this SEC Form 10.1 one of which shall be manually signed by a duly authorized person who, in case of a juridical person, shall be President.

Republic of the Philippines
Department of Finance
SECURITIES AND EXCHANGE COMMISSION
SEC HEADQUARTERS,
Makati Avenue, Salcedo Village, Bel-Air, Makati City, 1209

REQUEST FOR CONFIRMATION OF EXEMPTION: STOCK OPTION PLAN

(Section 10.2 of the Securities Regulation Code)

Applicability	**STOCK OPTION PLAN**
Rule 10.2	The Commission may exempt other transactions, if it finds that the requirements of registration under the Securities Regulation Code is not necessary in the public interest or for the protection of the investors such as by reason of the small amount involved or the limited character of the public offering.
Filing Fee	• **1/10 of 1% of the Aggregate Total Value of the Share/Securities being Offered**, Plus 1% of the UP Legal Research Fee • Digital Payment: https://espaysec.sec.gov.ph

DOCUMENTARY REQUIREMENTS:

1. SEC Cover Sheet
2. SEC Form 10.2
3. Notarized certificate of the Corporate Secretary of the applicant Issuer attesting to the following:
   - Approval by the applicant's Board of Directors and required stockholders' approval of the stock offering plan ("the Plan") (copies of the pertinent resolutions/minutes approving the Plan shall be attached);
   - Genuineness and due execution of the Plan, a copy of which shall be attached to the certificate (shall also include the procedure or guidelines of the Stock Option Plan on the sale, assignment, transfer of disposition of the shares acquired by the Optionees);
   - Statement whether or not the offering will be underwritten;
   - If applicable, a breakdown of the number of shares earlier exempted from registration (citing SEC Resolution/Order and date of approval), the shares subscribed by the optionees, and the remaining unissued shares computed on a year-to-year basis, and an explanation on why the applicant has renewed its application in spite of the availability of unissued shares;
   - If the applicant is a foreign corporation, it should state whether the terms and conditions of the Plan in the Philippines are the same as those in other jurisdictions;
   - An undertaking:
     - to provide continuous access of the optionees-employees on the key performance indicators of the Issuer-company until the termination of the Plan;
     - to pay an additional filing fee should there be an increase in price of the securities from the date of filing of this application for exemption until the date the options were granted to the optionees-employees; and
     - to submit to the Commission, on or before the 10th of January of each year following the date of grant until full issuance, a report containing the necessary details of the grant, such as but not limited to, the names of actual optionees and the number subscribed by them.
4. Notarized certification of the Human Resource Head or any position of equivalent nature that:
   - a listing of persons and their corresponding position(s) in whose favor such grant or issuance of options is to be made, indicating the number of shares to be given/granted to each, or if this could not yet be ascertained, the formula to be used in determining such number of shares, and issue price;
   - the Independent Directors (ID) of the participating companies' subsidiary/affiliate will be granted options/ shares
   - the Optionees - employees of the said Stock Option Plan were informed about its terms and conditions, including the attendant risk, to enable them to make a reasonable judgment on its advantages and disadvantages to them;
   - the Optionees - employees were given a copy of the Plan to enable them to make an intelligent judgment on the advantages and disadvantages of the Plan; and
   - Reading materials, pamphlets, brochures, and other materials were disseminated in relation to the Plan.
5. Latest Audited Financial Statements of the applicant Issuer
6. Articles of Incorporation/Association (if the applicant Issuer is a foreign corporation)
7. Proof of payment of the prescribed filing fee

PROCEDURES:

1. Submit the required application documents (duly accomplished SEC Form 10.2 and supporting documents) for pre-processing to MSRD through email at: msrdsubmission@sec.gov.ph.
2. Pay the required filing fee via ESPAYSEC at https://espaysec.sec.gov.ph, and submit the proof of payment through email at: msrdsubmission@sec.gov.ph.
3. Submit two (2) complete sets (one original, one photocopy) of the application documents to MSRD (17th Floor, SEC Headquarters, Makati Avenue, Makati City).
4. Present the email receipt of the Order or Resolution and the Official Receipt for the application at MSRD (17th Floor, SEC Headquarters, Makati Avenue, Makati City) to secure the original hard copy of the SEC Resolution or Order.

ADDITIONAL INSTRUCTIONS:

1. A notarized certification of the authorization of the signatory of the SEC Form 10.2 must be submitted if the signatory of the SEC Form 10.2 is other than the President of the Issuer Company.
2. All documents executed outside the Philippines must be apostilled or authenticated by the Philippine Embassy or Consulate, whichever is applicable. (Submission of documents that do not comply with authentication requirements shall not be issued a Payment Assessment Form)

Republic of the Philippines
Department of Finance
SECURITIES AND EXCHANGE COMMISSION
SEC HEADQUARTERS, Makati Avenue, Makati City 1209

STOCK OPTION PLAN
(Pursuant to SRC Section 10.2 and Rule 10.2 of the SRC-IRR)

______________________________________ ______________
Name of issuer whose securities are being offered for sale or sold **Date of Filing**

1. State the specific provision of the Securities Regulation Code under which exemption is based.	
2. Registered name of the applicant	
3. Purpose of the grant or the Plan of the applicant	
4. Name of the Plan	
5. Number of Option/Shares to be issued~~/ Offer Price~~	
6. Issue Price (in PHP) *(indicate the exchange rate used at the date of filing, if applicable)*	
7. Percentage of Total Aggregate Value of the Proposed Issue to Total Assets *(With reference to the Most Recent Audited Financial Statements)*	
8. Percentage of Number of Shares to be Issued to Total Issued and Outstanding Shares *(With reference to the Most Recent Audited Financial Statements)*	
9. Offer Period/ Vesting Period/ Holding Period	
10. Source or basis, of the option shares at the time of filing	
~~11. Issue price or exchange rate, issue price or exchange rate at the date of filing~~	
12. Last quoted price of the shares *(indicate the name of the exchange where the shares are listed, if applicable.)*	
13. Term of the Stock Option Plan	
14. Settlement of the Option shares	
15. Indicate if this ~~ESOP~~ Stock Option Plan will form part of the compensation package of the optionees/ employees	
16. Effect of voluntary or involuntary cessation from employment to the grant of ~~(ESOP)~~ Stock Option Plan	
17. Procedure or guidelines of the ~~(ESOP)~~ Stock Option Plan on the sale, assignment, transfer or disposition of the shares acquired by the optionees	
18. Other relevant terms and conditions	
19. Names and corporate profiles of the **Issuer** and its participating corporations (subsidiaries and affiliates) in the Philippines, including, but not limited to the following: ● Date of registration ● SEC Reg. No. ● Primary Purpose	

• Corporate Capital Structure (Authorized Capital, Subscribed Capital and Paid- up Capital, Par Value, Foreign Equity) per latest Audited Financial Statements • Names, nationalities, and positions of the Board of Directors/ Officers • Names, nationalities, no. of shares and total percentage of allotment to independent directors vis-a-vis the outstanding capital stock of the issuer and the participating corporation	

FILING FEE

This application for confirmation of availability of an exemption under SRC Rule 10.2 of the Code has been submitted along with the payment of the prescribed fee in the amount of ________________ under eO.R. No. ______________ dated ____________________;

SIGNATURES

The undersigned hereby certifies that the exemption applied for hereunder is available and all requirements set forth in SRC Rule 10.2 have been complied with and are in accordance with the existing rules and regulations of the country of the Issuer-corporation, the Securities Regulation Code and its Implementing Rules and Regulations.

Pursuant to the requirements of the Code and SRC Rule 10.2, ***(Name of Issuer-Corporation)*** has caused this certification to be signed on its behalf by its President or duly authorized representative of the Issuer- Corporation.

Date: ________________________ **By: ____**

President

(Company's Letter Head)

SECRETARY'S CERTIFICATE

(of the Issuer-Corporation)

I, ___________________, Secretary of _______________, a Corporation organized and existing in accordance with the laws of _____________, certify that:

1. The__________, Stock Option Plan of ___________, a true copy of which is attached to this Certificate as Annex____, was approved by the majority of the Board of Directors and Stockholder[1] (representing at least 2/3 of the Outstanding Capital Stock) of the Company at the meeting duly called and held on ___________, and__________________, respectively;

2. Attached to this Certificate are Annexes______, are true copies of the resolutions and actions adopted and approved by the Board of Directors and Stockholders of the Company in regard to the said Stock Option Plan and that resolution, actions, and Stock Option Plan have not been modified amended or rescinded and, remain in full force and effect;

3. the Stock Option Offering is (not) underwritten;

4. The number of shares **previously exempted from registration**, the shares subscribed by the Optionees of the Stock Option Plan, and the remaining unissued shares are as follows:

(List data on a per SEC Order/Resolution Basis)

SEC Order/ Resolution and date (1)	No. of Shares Earlier Exempted (2)	No of Shares Subscribed by Optionees (3)	Aggregate Value and the No. of Shares Subscribed (4)	Remaining Unissued Shares (5)	Status of the Remaining Unissued Shares (6)

If none, indicate that the Issuer has no previous share plans earlier exempted from registration by the Commission.

5. The Company has despite the availability of unissued shares, applied anew for exemption from registration of shares in the Stock Option Plan for the following reasons:

(State reason/s for the renewed application. If inapplicable, please state)

6. The procedures or guidelines of the Stock Option Plan on the sale, assignment, transfer of disposition of the shares acquired by the Optionees are the following (or described in paragraphs ____, of the attached approved plan;

(Explain the procedure or guidelines)

7. The terms and conditions of the Plan in the Philippines are the same as those in other jurisdictions *(if the applicant is a foreign corporation)*;

8. The shares or options covered by the application will not be settled in cash and/or no phantom shares will be issued *(if the Plan provides for a cash settlement and/or issuance of phantom*

---

[1] In the case of a foreign corporation where stockholders' approval of the Plan is not required, or where a different voting requirement applies under the laws governing its organization or existence, a statement to that effect shall be provided.

shares);

9. The optionee-employees will have continuous access to the key performance indicators and financial records of the Issuer-company within forty-five (45) days after the end of each quarter until the termination of the Plan;

10. The Issuer-Company undertakes to pay additional filing fee should there be an increase in price of the securities from the date of filing of this application for exemption until the date the options were granted to the optionee-employees, and to submit to the Commission, on or before the 10th day of January of each year following the date of grant until full issuance, a report containing the necessary details of the grant.

I have signed this certificate this _____ day of _______20___ at ________________.

____
(Name and Signature of Corporate Secretary)

(Notarial of Consular Acknowledgment)

(Company's Letter Head)

CERTIFICATE

I, ____________________, VicePresident/Head- for Human Relations (or equivalent title of position); or President of the ___________________, Union of ______________, a Corporation organized and existing in accordance with the laws of ______________, certify that:

1. The names and positions of the eligible or qualified optionees of the _________________, Stock Option Plan of the Company are the following:

Name (1)	Position (2)	No. of Shares* (3)	Issue Price (4)

**Note: If the number of shares to be given to each employee could not yet be ascertained, the formula to be used in determining such number of shares shall be indicated.*

2. The following Independent Directors of the participating companies will be granted options/ shares, as follows:

Name of Participating subsidiary/affiliate (1)	Name of Independent Director/s (2)	No. of Options/Shares (3)	Percentage of Ownership After Grant vis-a- vis the outstanding capital stock of the issuer and the participating corporation (4)

3. I have informed the Optionees of the said Stock Option Plan about its terms and conditions, including the attendant risk, to enable them to make a reasonable judgment on its advantages and disadvantages to them.

4. I have disseminated reading materials, pamphlets, brochures and other materials in relation to the Plan.

I have signed this Certificate this _____ day of _______________20____ at _______________________.

____

(Affix Name and Signature)

(Notarial of Consular Acknowledgment)