

CORPORATE DISCLOSURE PROCEDURE MANUAL
PHINMA Corporation

Document Version History

Approval Date	Policy Owner	Revisions
Aug. 2, 2017 - CG and RPT Committee	Compliance	Final version
Aug. 3, 2017 – PHN Board		

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1 PURPOSE

The Corporate Disclosures Procedure Manual describes the standard procedures to be followed in the management of required corporate disclosures in compliance with PSE and SEC rules and regulations.

2 SCOPE

This procedure manual applies to all officers and employees of PHINMA Corporation in charge of corporate disclosure responsibilities related to the following rules and regulations:

- Securities and Exchange Commission Code of Corporate Governance for Publicly-Listed Companies (SEC Memorandum Circular No. 19 Series of 2016) effective January 1, 2017
- 2015 Securities and Regulations Code of the Philippines (RA 8799 and its Implementing Rules and Regulations)
- Philippine Stock Exchange Listing and Disclosure Rules, Supplemental Rules and Guidance Notes
- Corporation Code of the Philippines (Batas Pambansa 68)

3 RESPONSIBILITIES OF THE COMPLIANCE DEPARTMENT

The Compliance Department has the following responsibilities in relation to corporate disclosures:

- Promote transparency and good corporate governance within the company by adopting corporate governance policies and best practices and ensuring that these are complied and updated with ASEAN standards.
- Comply with continuing disclosure requirements of relevant regulators and government agencies by submission of accurate structured and unstructured reports of the company.
- Ensure the uploading of disclosures to the website of the company.
- Check the completeness and accessibility of disclosures uploaded to the website of the company.
- Determine violations of the Manual on Corporate Governance and recommend the imposition of appropriate disciplinary action on the responsible parties and adopt measures to prevent repetition of the violation.
- Perform such other duties and responsibilities as may be provided by the CG and RPT Committee, the Board and regulatory agencies.

4 DEFINITION OF TERMS

- Corporate Disclosure refers to the dissemination of material information to the public in accordance with the requirements of a regulatory authority.
- Material Information refers to any fact or information relating to the business or affairs of the company that would reasonably be expected to affect the market price or value of the company's shares.
- Soft Information is information that is indefinite in nature such as but not limited to forward-looking statements about future prospects or plans, operations or performance; subjective evaluation by analysts; incomplete proposals, preliminary negotiations, corporate transactions in the planning stage or bid submissions.

- Structured Disclosures are reportorial requirements in standard formats submitted to regulators within specific time frames such as annual, quarterly and monthly reports.
- Unstructured Disclosures are communications of corporate developments as they occur intended to update the investing public on the company's activities, operations and business.

5 DISCLOSURE GUIDELINES

- The report must be correct, factual and clear.
- The report must contain information that has reached a clear conclusion that is sufficient to enable the public to make informed investment decisions.
- The report must be disseminated through the Exchange (Philippine Stock Exchange) so that everyone has equal access to the information.
- Unstructured disclosure is necessary when:
 - A major decision has been made during a corporate meeting
 - A press statement will be released to the media
 - Prior disclosures are no longer accurate
 - A disclosure has been partially made on the topic
 - Rumors / leaks on material information are already circulating
 - False statements have been made by a third party
 - Unusual trading occurs
- Company press releases should have prior clearance from the Chief Executive Officer or the Investor Relations Officer or the Head of the pertinent department prior to disclosure to the PSE.
- Disclosure is not necessary when the activity or development is still considered soft information or when the disclosure would put the company in breach of existing laws.
- Soft information is not required to be disclosed but if a disclosure is to be made, it must be done in good faith and have a reasonable, factual basis. When disclosing soft information, the following must be considered:
 - Consider consulting with counsel or the Exchange before disclosing
 - Disclosure must later on be updated or corrected
 - Use of prudent language so as not to mislead the public
 - Stress that the information is not final to avoid undue investor reliance and overactive trading volumes
- All reportorial requirements submitted to the SEC must be submitted to the PSE and vice versa.
- All reports submitted to the PSE and SEC must be uploaded to the company's website upon receipt of the approval email from the PSE or upon posting in the PSE's website or upon receipt of the report duly-received by the SEC. Below are the periods within which listed companies are required to maintain the reports in their website:
 - Structured reports - at least two (2) years
 - Unstructured reports - at least six (6) months
 - SEC Annual Corporate Governance Report and PSE Corporate Governance Survey - at least one (1) year

6 TYPES OF DISCLOSURES

6.1 STRUCTURED DISCLOSURES

These are continuing reportorial requirements submitted within a specific time frame in the format and with content required by the relevant agency.

- **Annual Report** using SEC Form 17-A within 105 calendar days after the end of the fiscal year or as such other time as prescribed by the SEC.
- **Quarterly Reports** using SEC Form 17-Q within 45 days after end of the first three quarters of the fiscal year. The report shall include a schedule of aging of accounts receivables.
- **Other Periodic Reports** for interim fiscal periods and current reports on significant developments as the SEC and PSE may prescribe as necessary to update information on the operation and financial condition of the listed company. Periodic reports include:
 1. Report on Beneficial Ownership
 2. Report on Number of Shareholders
 3. List of Stockholders
 4. List of Top 100 Stockholders
 5. Report on Public Ownership
 6. Report on Foreign Ownership
 7. Annual Verification of the Bureau of Mines
 8. Annual Verification of the Department of Energy

6.2 UNSTRUCTURED DISCLOSURES

These are communication of corporate developments as they occur as may be necessary to update the investing public on information on the operations and business of the listed company such as:

- Issuer's financial condition
- Prospects
- Development projects
- Contracts entered into in the ordinary course of business
- Other information deemed to have significant impact on business operations

Disclosure must be made promptly within 10 minutes from the receipt of information or board approval or the occurrence of said act, development or event.

Release of information must first be made to the Exchange prior to the media or the public. Selective disclosure is prohibited, however this limitation will not apply in the following instances:

- Disclosure is done to a person who is bound by duty to maintain trust and confidence to the issuers (e.g. auditor or legal counsel)
- Disclosure is done to a person who agrees in writing to maintain in strict confidence the material information and will not take advantage of it for personal gain.

7 RELATION TO OTHER COMPANY POLICIES

This procedure manual shall be read in conjunction with other company policies such as but not limited to the following:

- Manual on Good Corporate Governance
- Code of Business Conduct and Ethics
- Related Party Transactions Policy
- Insider Trading Policy
- Conflict of Interest Policy
- Anti-Fraud Policy
- Whistle-Blowing and Non-Retaliation Policy

Additionally, directors and officers are required to observe the following procedures in relation to Section 23 of the Securities Regulation Code and under the Disclosure Rules of the PSE.

- **Transactions of Directors and Principal Officers**

All newly-elected directors and newly-appointed officers shall submit the duly-signed and accomplished SEC Form 23-A (Initial Statement on Beneficial Ownership) to the Compliance unit within 24 hours from election or appointment. Disclosure of direct and indirect shareholdings is required even if such director or officer has nil beneficial ownership to declare in the form.

All directors and principal officers shall submit the duly signed and accomplished SEC Form 23-B (Report on Beneficial Ownership) to the Compliance unit within 24 hours from transaction date. Disclosure is required for any acquisition, disposal, or change in the direct and indirect shareholdings of directors and officers.

The form should contain the following details:

- Nature of transaction (buy or sell)
- Date of transaction
- Number of securities acquired or sold
- Price per share at which securities were acquired and sold

If the change in the shareholdings is more than 50% of the previous shareholdings or is equal to 5% of the Issuer's outstanding capital stock, additional disclosure requirements as enumerated on page 3 of the SEC Form 23-B shall apply.

- **Blackout Rule**

PSE Disclosure Rules require that a director or a principal officer of an Issuer must not deal in the Issuer's securities during the period within which a material non-public information is obtained and up to two (2) full trading days after the price sensitive information is disclosed. To comply with the

rule, the Compliance unit shall issue a blackout notice to all concerned whenever a price sensitive information has been disclosed to the Exchange.

All directors and officers shall observe the internal blackout period of two (2) full trading days before and two (2) full trading days after a Structured Report is disclosed to the Exchange.

For unstructured disclosures, all directors and officers shall observe a blackout period of two (2) full trading days after an unstructured disclosure is sent to the Exchange.

8 DISCLOSURE PROCESS

Structured reports and unstructured disclosures are submitted to the PSE via the PSE Edge submission system and to the relevant department of the SEC with a covering letter.

Tokens are provided by the PSE to authorized makers and approvers for each listed company.

Work Instruction	Assigned Person
1. Log on to the PSE Edge system using the user ID and OTP code provided in the token.	Maker
2. Select which form/template will be needed in order to successfully complete the disclosure.	Maker
3. Fill in the information required for the disclosure and attach source or supporting documents as required.	Maker
4. Submit the completed template along with the required attachments to the Approver. *Note that the PSE Edge system sends a notification email to makers and approvers each time that a disclosure is created, approved, rejected, amended or released by the PSE in their website.	Maker
5. Review then approve or reject the disclosure.	Approver
6. Monitor the status of the disclosure created whether the Approver has approved or rejected the submission.	Maker
7. Resubmit rejected disclosures promptly after amendments or corrections have been made until such disclosure is approved by the Approver.	Maker
8. Monitor the approved submission until the PSE has completed its review and released the report in their website.	Maker
9. Submit related letters for the SEC to the Compliance Officer/Corporate Secretary or Finance SVP for signature. *Note to accomplish in 3 sets; 2 original copies for SEC and 1 receiving copy for Compliance files.	Maker
10. Prepare SEC cover pages for all reports/letters for submission to the SEC.	Maker
11. Request Corporate Communications to upload in the company website the scanned copy of the report including the acknowledgement page of the SEC.	Maker
12. Monitor uploading to the website.	Maker

Original duly received copies of the reports submitted to the SEC or other regulatory agency as applicable shall be retained by the department owner of such disclosure while at the same time providing a complete scanned copy of the report to the Compliance Department.

In determining the needed information in order to submit the necessary disclosure, reference should be made to below for source departments:

- Report on Number of Shareholders or Board Lot – Stock Transfer Service, Inc. (stock transfer agent)
- Foreign Ownership Report – Stock Transfer Service, Inc (stock transfer agent)
- Share Buy-Back Transaction- Treasury
- Statement of Changes in Beneficial Ownership or SEC Form 23A or 23B – From the director/secretary of the director to Finance for checking then to the Compliance unit.
- Public Ownership Report – Finance Unit
- Update on ACGR :
 - Director’s Attendance and election details including Committee attendance count and composition– Office of the Corporate Secretary
 - Directorships in Other Companies, Director’s and Officers’ Training Log and Director’s Profile – Secretaries of the Directors
 - Shareholding in the Company- use latest Public Ownership Report
 - Officer’s Training Log- Human Resources; the officers themselves
 - Policies under Code of Business Conduct and Ethics – Integrity Assurance Program events/ CSR events
 - Remuneration details – Finance
 - Risk Policy- Business Resiliency Team
 - Role of Stakeholders- partly CSR team (environment-friendly supply chain & community involvement), partly IAP team (anti-corruption programs)
 - Performance-enhancing mechanisms- Human Resources
 - Ownership Structure under Disclosure and Transparency- use the latest Top 100 Beneficial Shareholders
 - External Auditor’s Fee, RPT, dates related to release of Annual Report- Finance
 - Minutes and Questions in the ASM- Legal
 - DIS and Management Report- Finance
 - CSR- Phinma Foundation/ Hero/ CSR group of PHEN
- Notice of Annual Stockholders’ Meeting- Finance and Legal
- Declaration of Dividends - Finance
- Material Information- circumstantial, depends on which unit is requesting for the disclosure. For service contracts – Legal unit/ head of SBU (ex: RAR disclosure on PPG service contracts)
- Compliance Report on Corporate Governance – Compliance unit
- Information Statement- Finance
- List of Top 100 Stockholders- Stock Transfer Service, Inc. (stock transfer agent)
- Results of Annual Stockholders Meeting- Corporate Secretary
- Results of Org Meeting of the BOD – Corporate Secretary
- Annual Report , Quarterly Report – Finance
- Certificate of Independent Directors – Compliance to coordinate with Independent Directors
- List of Stockholders Entitled to Vote- Stock Transfer Service, Inc. (stock transfer agent)
- Stock Purchase Plan – Finance
- Matters taken up during board meetings – Compliance Officer and Finance
- Certificate of Attendance in Corporate Governance trainings – request from training provider
- Disbursement of Proceeds and Progress Report – Finance (Energy Group)
- Amendment on the Articles of Incorporation and By-Laws - Legal

- Press Release - Corporate Communications
- Clarification on News Article – Legal, Finance, Investment Relations Officer, etc. as applicable