

Addendum to the Enrollment, Trading & Settlement Guidelines of Securities Enrolled in PDEX under Rule 7 - Part Three - Enrollment Rules of the PDEX Rules: Guidelines for Restricted Issuers and Non-Reporting Companies

1. Introduction

- 1.1. This document specifies additional guidelines for the enrollment, trading and settlement of Restricted Securities, which are a sub-category of Enrolled Securities and will be further defined below. As such, this document and all its provisions shall form an extension of the Enrollment, Trading & Settlement Guidelines of Securities Enrolled in PDEX under PDEX Rule 7 - Part Three - Enrollment (“Enrollment Guidelines”).
- 1.2. For the purpose of this framework, Restricted Securities shall be defined as those securities that are issued by a financial institution without a quasi-banking license (hereinafter referred to as a non-QB) that meet both of the conditions of being, a) issued or sold under an exempt transaction under SRC Section 10.1(l) and SRC Rule 10.1.3, and limited only to Qualified Investors, b) further restricted to distribution to a maximum number of eligible holders that will not exceed such non-QB Issuer’s charter limitation of borrowing from not more than a total of nineteen (19) lenders at any one time (the “19-lender limit”)¹, or until such time that the specific provision in the said charter is amended to increase/decrease the number of lenders; of which, the restriction under this provision will be adjusted accordingly.
- 1.3. Further also to Section 2.4 of the Enrollment Guidelines, the Issuer of a security for enrollment is expanded to include a Non-Reporting Company provided that the provisions below for the admission of such Non-Reporting Company are fulfilled.

2. Additional Provision on Order at a Primary Issuance and Enrollment for Restricted Securities. PDEX shall admit a Restricted Security for enrollment on the representation and warranty of the Restricted Issuer of its compliance with its 19-lender limit charter restriction.

3. Continuing Adherence to the 19-lender limit - Responsibilities of the Restricted Issuer, and PDEX Trading Participants. For the purposes of these Guidelines, the Restricted Issuer and the PDEX Trading Participants shall have the following additional responsibilities and liabilities:

- 3.1. **Responsibilities of the Restricted Issuer.** Because only the Restricted Issuer has the capability to determine the exact count of its lenders, such Restricted Issuer shall have a continuing obligation to report to the Registry every Coupon Payment Date on the number of its lenders including the holders of the enrolled Restricted Security/s and warrant its compliance with the 19-lender limit to which it is subject. The Restricted Issuer must report any breach of the 19-lender limit to PDEX.

¹ The count for the “19-lender limit” of a non-QB Issuer includes all of the holders of security/s issued by the non-QB as well as all other direct lenders (e.g. banks) of the non-QB Issuer.

- 3.2. **Responsibility of Trading Participants.** When transacting in the secondary market for Restricted Issues, each Participating PDEX Broker and PDEX Dealer Participant is responsible for ensuring and thereby represents and warrants that the resulting lender count after a relevant secondary transfer to its Client Buyer (for Brokers) or Counterpart Buyer (for Dealers) shall not breach the maximum number of holders as prescribed in the operative document of engagement (e.g., Offering Memorandum, Offering Circular, Information Memorandum).

4. Restricted Transfers

- 4.1. Any transfer for the enrolled Restricted Security that would result in the breach of the 19-lender limit for the Restricted Issuer shall be disallowed. If such transfer arose out of a secondary market trade, such trade shall be deemed as null and void and the Restricted Security subject of the trade shall be returned to the Seller.
- 4.2. The Issuer of the Restricted Security and/or the involved Trading Participants may be liable to any Buying Party/s for any damages incurred from such a trade voided due to the above restriction.

5. Additional Enrollment Requirements for Non-Reporting Companies

- 5.1. A Non-Reporting Company wishing to have its securities enrolled must have a Credit Rating from an accredited credit rating agency.
- 5.2. In the absence of a Credit Rating, the Non-Reporting Company may present for consideration, for enrollment purposes, a Credit Guarantee issued by a credit rated Guarantee Institution.
- 5.3. A Non-Reporting Company shall assume the obligation to fulfill all reportorial requirements at the time of enrollment of its securities in PDEX.