



MEMORANDUM ORDER NO. 2015-04

IMPLEMENTING THE DIVESTMENT BY GSIS OF ITS 99.5% SHAREHOLDINGS IN GSIS FAMILY BANK

WHEREAS, the Governance Commission for GOCCs (GCG), pursuant to Section 5(a) of the "GOCC Governance Act of 2011" (R.A. No. 10149), is mandated to "evaluate the performance and determine the relevance of the GOCC, to ascertain whether such GOCC should be [...] privatized";

WHEREAS, the Government Service Insurance System (GSIS) requested for a recommendation from the GCG to the Office of the President to approve the sale/divestment of GSIS' 99.5% shareholding in GSIS Family Bank (GFB) through public bidding.

WHEREAS, the Governance Commission recommended to the Office of the President the approval of the divestment.

WHEREAS, the Office of the President, in a memorandum to the Governance Commission dated 06 March 2015, approved the recommendation of the GCG to allow the sale/divestment by the GSIS of its 99.5% shareholding in GSIS Family Bank (GFB) through public bidding.

NOW, BE IT –

RESOLVED, the Commission hereby **AUTHORIZES** GSIS to divest its 99.5% shareholdings in GFB through public bidding. The divestment shall adhere to principles and procedures of public bidding, *to wit*:

1. Adequate publicity and notification so as to attract the greatest number of interested parties;
2. Sufficient time frame between publication and date of auction;
3. Opportunity afforded to interested parties to inspect the property or assets to be disposed;
4. Confidentiality of sealed proposals;
5. Bond and other prequalification requirements to guarantee performance; and
6. Fair evaluation of tenders and proper notification of award.

RESOLVED, FURTHER, the GSIS is hereby directed to submit a **timeline** to the Governance Commission within thirty (30) calendar days from the receipt of this Memorandum Order on the following milestones:

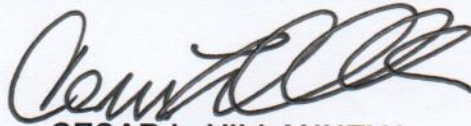
1. Publication and Issuance of the Bid Terms;
2. Submission of Pre-Qualification Requirements;

3. Issuance of Instructions to Bid (ITB), Information Memorandum and initial drafts of Transaction Documents;
4. Submission of Qualification Documents;
5. Announcement of Qualified Bidders;
6. Submission of Bids;
7. Announcement of the Highest Bidder;
8. Review and Approval by pertinent government agencies of the Winning Bidder;
9. Notice to Winning Bidder;
10. Signing of Transaction Documents;
11. Notice to Minority Stockholders for the Exercise of Pre-emptive Rights;
12. Offer to Minority Stockholders;
13. Closing of Investment by Winning Bidder;
14. Confirmation to the GCG of the completion of the divestment.

Accordingly, GSIS shall submit quarterly progress reports within thirty (30) calendar days from the close of each quarter on the above milestones.

DONE, in the City of Manila, this 11th day of May, Two Thousand and Fifteen.

BY AUTHORITY OF THE COMMISSION:



CESAR L. VILLANUEVA
Chairman



MA ANGELA E. IGNACIO
Commissioner



RAINIER B. BUTALID
Commissioner