

**Trading & Settlement Operating Guidelines
PHOENIX PETROLEUM PHILIPPINES, INC.
Short-Term Commercial Paper Due January 22, 2015, April 22, 2015 and
October 13, 2015**

1. Coverage

- 1.1. These Trading and Settlement Operating Guidelines shall apply to trades on the following securities (“STCP”) of **PHOENIX PETROLEUM PHILIPPINES, INC.** (PNX or the “Issuer”) upon their listing on the Philippine Dealing & Exchange Corp. (PDEX).
 - 1.1.1. PNX Short-Term Commercial Paper Due January 22, 2015 (“PNX STCP Due January 22, 2015”);
 - 1.1.2. PNX Short-Term Commercial Paper Due April 22, 2015 (“PNX STCP Due April 22, 2015”); and,
 - 1.1.3. PNX Short-Term Commercial Paper Due October 13, 2015 (“PNX STCP Due October 13, 2015”).

- 1.2. A PDEX Trading Participant that trades on the Bonds shall be bound by these Trading and Settlement Operating Guidelines for the STCP (Guidelines), the Trading Conventions for Fixed Income Securities in the Public Market (PDEX Trading Conventions), and the PDEX Rules for the Fixed Income Securities Market, as Amended (PDEX Rules).

2. Pricing Convention. Quotations for the STCP shall be expressed in terms of Clean Price computed on a true discount basis.

3. Day Count Standard. The day count standard shall be Actual/360.

4. Series Names in Trading System. There shall be two (2) series names for the STCP in the corporate securities board of the Trading System. The two (2) series names for the STCP are being made available solely for settlement value computation purposes, and should neither be construed as two (2) separate tranches or series nor as separate securities.

- 4.1. Tax-Withheld Series Name - the settlement value of a done trade on this series name shall be computed on a tax-withheld basis, based on a withholding tax rate of 20%.
 - 4.1.1. PNX Short-Term Commercial Papers Due January 22, 2015 - “PNX 01.22.15”
 - 4.1.2. PNX Short-Term Commercial Papers Due April 22, 2015 - “PNX 04.22.15”
 - 4.1.3. PNX Short-Term Commercial Papers Due October 13, 2015 - “PNX 10.13.15”

- 4.2. No Withholding Tax (NWT) Series Name - suffix “NWT” indicates that the settlement value of a done trade on this series name shall be computed on a no tax-withheld basis.
 - 4.2.1. PNX Short-Term Commercial Papers Due January 22, 2015 - “PNX 01.22.15-NWT”

- 422. PNX Short-Term Commercial Papers Due April 22, 2015 - “PNX 04.22.15-NWT”
- 423. PNX Short-Term Commercial Papers Due October 13, 2015 - “PNX 10.13.15-NWT”

- 43. The main series name provides a description of the following information regarding the Bonds:
 - 431. Issuer Symbol - **PNX**
 - 432. Maturity Date - **01.22.15** (i.e., January 22, 2015), **04.22.15** (i.e., April 22, 2015), **10.13.15** (i.e., October 13, 2015)

- 5. **Trading Mechanics**
 - 51. **Tax-Withheld Series Name**
 - 51.1. Orders for the account of tax-withheld investors and Dealing Participants trading for their own proprietary position shall be dealt using the tax-withheld series name.
 - 51.2. Market Making Participants (Market Makers) shall post prices using the tax-withheld series name.
 - 52. **No Withholding Tax Series Name.** Orders for the account of investors not subject to withholding tax shall be dealt using the no-withholding tax series name.

- 6. **Responsibilities of Trading Participants with Respect to the STCP**
 - 61. A Trading Participant shall determine the eligibility and suitability of each buyer, and ensure that the buyer fully understands the terms and conditions of, and the risks involved in investing in the STCP.

- 7. **Record Date for the STCP**
 - 7.1. The Record Date for the STCP due is the second (2nd) business day prior to the Maturity Date.

- 8. **Settlement Policy for Corporate Security Transactions.**

All corporate security transactions executed on the PDEX Trading System shall be settled through the PDSClear System (formerly eDvP System) in accordance with the PDEX Rules.

- 9. **Restrictions on Transfers across Tax Status**

In accordance with the Terms and Conditions of the STCP, transfers between persons of varying tax status will not be allowed.