

**Trading & Settlement Operating Guidelines
PHOENIX PETROLEUM PHILIPPINES, INC.
Short-Term Commercial Paper Due January 4, 2017**

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 4, 2017 (“PNX STCP Due January 4, 2017”);
 - 1.2. A PDEX Trading Participant that trades on the STCP 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 on a true discount basis.
3. **Day Count Standard.** The day count standard shall be Actual/360 month.
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.
 41. 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%.
 - 41.1. PNX Short-Term Commercial Paper Due January 4, 2017 - “PNX 01.04.17”
 42. 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.
 - 42.1. PNX Short-Term Commercial Paper Due January 4, 2017 - “PNX 01.04.17-NWT”
 43. The main series name provides a description of the following information regarding the STCP:
 - 43.1. Issuer Symbol - **PNX**
 - 43.2. Maturity Year - **01.04.17 (i.e., January 4,2017)**

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

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 relevant Interest Payment 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.