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PHP3.1 Billion Fixed-Rate Notes Due 2019
Issue Price: 100% of Face Value
Interest Rate: 3.25%p.a.

**The date of this Information Packet / Information Memorandum is
November 23, 2017.**

Joint Lead Underwriters and Joint Bookrunners



THE SECURITIES BEING OFFERED OR SOLD UNDER THIS OFFERING MEMORANDUM HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION (SEC) AS THE ISSUANCE IS AN EXEMPT TRANSACTION UNDER SECTION 10.1 (L) OF THE SECURITIES REGULATION CODE (SRC). UPON ISSUANCE, THESE SECURITIES SHALL BE SIMULTANEOUSLY ENROLLED AS SECURITIES THAT MAY BE TRADED BETWEEN AND AMONG QUALIFIED BUYERS WHICH ARE JURIDICAL PERSONS AT THE PHILIPPINE DEALING & EXCHANGE CORP. (PDEX) IN ACCORDANCE WITH THE PROCEDURES AND REQUIREMENTS SET FORTH IN THIS OFFERING MEMORANDUM, AND THE RELEVANT PDEX RULES, OPERATING FRAMEWORK, AND TRADING CONVENTIONS. ANY FUTURE OFFER OR SALE OF THE SECURITIES WITHIN THE PDEX TRADING SYSTEM MUST BE TO QUALIFIED BUYER WHICH IS A JURIDICAL PERSON, AS DEFINED AND PRESCRIBED UNDER THE SRC AND ITS IMPLEMENTING RULES AND REGULATIONS. FOR SALES THAT DO NOT OBSERVE THE PROCESSES SET FORTH IN THIS OFFERING MEMORANDUM, OR THAT OCCUR OUTSIDE THE PDEX TRADING SYSTEM, THE SALE TO A NON-QUALIFIED BUYER IS SUBJECT TO THE

REGISTRATION REQUIREMENTS UNDER THE SRC, AND SUCH OTHER CONSEQUENCES AS MAY BE PROVIDED UNDER THE PDEX RULES.

THE OFFER AND ISSUANCE OF THE NOTES ARE MADE SOLELY TO QUALIFIED BUYERS WHICH ARE JURIDICAL PERSONS UNDER SECTION 10.1(L) OF THE SRC AND SECTIONS 10.1.3.1, 10.1.3.2, 10.1.3.3, 10.1.3.4, 10.1.3.5, AND 10.1.3.6 OF ITS IMPLEMENTING RULES AND REGULATIONS, WITH THOSE UNDER SECTION 10.1.3.6 HAVING BEEN DULY QUALIFIED BY A DULY SEC-REGISTERED QUALIFIED INVESTOR REGISTRAR. THE OFFER AND ISSUANCE IS EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SRC. AYALA LAND WILL NOT OBTAIN A CONFIRMATION OR DECLARATION OF SUCH EXEMPTION FROM OR FILE A NOTICE OF SUCH EXEMPTION WITH THE SEC.

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FORWARD-LOOKING STATEMENTS

This Information Packet / Information Memorandum contains certain “forward-looking statements.” These forward-looking generally can be identified by use of statements that include words or phrases such as “believes,” “expects,” “anticipates,” “intends,” “plans,” “foresees” or other words or phrases of similar import. Similarly, statements that describe Ayala Land’s objectives, plans or goals are also forward-looking statements. All such forward-looking statements are subject to certain risks and uncertainties that the forward-looking events and circumstances discussed in this Information Packet / Information Memorandum might not occur. Actual results could differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from the expectations of Ayala Land include, among others:

- *General economic and business conditions in the Philippines;*
- *Holding company structure;*
- *Intensive capital requirements of subsidiaries and affiliates of Ayala in the course of business;*
- *Increasing competition in the industries in which Ayala’s subsidiaries and affiliates operate;*
- *Industry risk in the areas in which Ayala’s subsidiaries and affiliates operate;*
- *Changes in laws and regulations that apply to the segments or industries in which Ayala, its subsidiaries and affiliates operate;*
- *Changes in political conditions in the Philippines;*
- *Changes in foreign exchange control regulations in the Philippines; and*
- *Changes in the value of the Philippine Peso.*

Prospective purchasers of the Fixed-Rate Notes are urged to consider these factors carefully in evaluating the forward-looking statements. The forward-looking statements included herein are made only as of the date of this Information Packet / Information Memorandum and Ayala Land undertakes no obligation to update such forward-looking statements publicly to reflect subsequent events or circumstances.

DEFINITION OF TERMS

As used in this Information Packet / Information Memorandum, the following terms shall have the meanings ascribed to them:

“Affiliate” shall mean, with respect to Ayala Land, Inc., any corporation directly or indirectly controlled by it, whether by way of ownership of at least twenty percent (20%) of the total issued and outstanding capital stock of such corporation, or the right to elect at least twenty percent (20%) of the number of directors in such corporation, or the right to control the operation and management of such corporation by reason of management, contract or authority granted by said corporation to Ayala Land, Inc.

“Ayala Group” refers to Ayala Corporation and its subsidiaries and affiliates.

“Ayala Land” or **“ALI”** or the **“Company”** or the **“Issuer”** refers to Ayala Land, Inc.

“Ayala Land Group” or **“ALI Group”** refers to Ayala Land, Inc. and its subsidiaries and affiliates.

“BDO Capital” shall refer to BDO Capital & Investment Corporation, a corporation duly licensed and authorized to operate in the Philippines, with principal address at the 20th Floor, BDO Corporate Center, 7899 Makati Avenue, Makati City.

“Business Day” shall be used interchangeably to refer to a day, except Saturday and Sunday, on which commercial banks are not required or authorized to close in Makati City, Metro Manila.

“BPO” refers to Business Process Outsourcing.

“China Bank Capital” shall refer to China Bank Capital Corporation, a corporation duly licensed and authorized to operate in the Philippines, with principal address at the 28th Floor, BDO Equitable Tower, 8751 Paseo de Roxas, Makati City.

“EBITDA” refers to Earnings Before Interest, Taxes, Depreciation and Amortization and is computed as Net income before income tax + Interest expense & other financing charges and Other charges - Interest and investment income + Depreciation and amortization.

“Eligible Noteholder” shall mean entities or institutions (excluding natural persons) that, at the point of offer or sale, are Qualified Buyers, whether on the primary or secondary markets.

“GLA” refers to Gross Leasable Area.

“Interest Payment Date” shall mean February 23, 2018 for the first Interest Payment Date and May 23, August 23, and November 23 of each year for each subsequent Interest Payment Date during which the Fixed-Rate Notes are outstanding; and in the event that any of such Interest Payment Dates are not Business Days, such Interest Payment Dates shall be deemed to be the immediately succeeding Business Day. The last Interest Payment Date shall fall on the respective Maturity Dates, or the succeeding Business Day if such date is not a Business Day.

“Issue Date” shall mean November 23, 2017 or the immediately succeeding Business Day, if such Issue Date is not a Business Day; or such other dates as may be agreed upon by the Issuer and the Joint Lead Underwriters.

“Lien” shall mean any mortgage, pledge, lien or encumbrance constituted on any of the Issuer's properties for the purpose of securing its or its Affiliate's obligations.

“Maturity Date” shall mean the date falling 15 months after Issue Date or on February 23, 2019, unless previously redeemed or cancelled; provided that, in the event that such Maturity Date falls on a day that is

Definition of Terms

not a Business Day, the Maturity Date shall be the immediately succeeding Business Day, without adjustment to the amount of interest to be paid.

“Noteholders” shall mean a Qualified Buyer whose name appears, at any time, as a holder of the Notes in the Registry of Noteholders.

“Offer” shall mean the issuance of Fixed-Rate Notes by the Issuer under the Conditions as herein contained.

“Paying Agent” shall mean the Philippine Depository & Trust Corp., appointed under the Registry and Paying Agency Agreement.

“PDEX” shall refer to the Philippine Dealing & Exchange Corp.

“PDTC” shall refer to the Philippine Depository & Trust Corporation.

“Person” means an individual, firm, partnership, limited liability company, joint venture, association, trust, corporation, government, committee, department, authority, or any body, incorporated or unincorporated, whether having a distinct legal personality or not.

“Pesos,” “P” “PHP,” and **“Philippine currency”** shall mean the legal currency of the Republic of the Philippines.

“PFRS” shall mean Philippine Financial Reporting Standards.

“Philippines” shall mean the Republic of the Philippines.

“PSE” shall refer to The Philippine Stock Exchange, Inc.

“Qualified Buyers” shall refer to resident entities or institutions (excluding natural persons) that, at the point of offer or sale are classified or considered as qualified buyers as defined under Section 10.1.3 of the 2015 IRR of the SRC, and additionally for those under Section 10.1.3.6 who are duly qualified by a duly SEC-registered Qualified Investor Registrar.

“Qualified Investor Registrar” shall refer to the registrar duly registered by the SEC under its applicable circulars.

“Record Date” shall refer to the cut-off date in determining Noteholders entitled to receive interest or principal amount due.

“Register of Noteholders” shall mean the electronic records of the Registrar bearing the official information on the names and addresses of the Noteholders and the number of Notes they respectively hold, including all transfers of the Notes and the names of subsequent transferee Noteholders, maintained pursuant to and under the Registry and Paying Agency Agreement.

“Registrar” shall mean the Philippine Depository & Trust Corp., appointed pursuant to the Registry and Paying Agency Agreement.

“SEC” means the Philippine Securities and Exchange Commission or its successor agency/ies.

“Fixed-Rate Note Agreements” shall mean, collectively, the Trust Indenture between the Issuer and the Trustee, the Master Certificates of Indebtedness, and the Registry and Paying Agency Agreement between the Issuer, the Registrar and the Paying Agent, and any other document, certificate or writing contemplated thereby.

Definition of Terms

“Fixed-Rate Notes” or “Notes” means the PHP 3.1 Billion, Peso Fixed-Rate Notes due 2019, covered by the Fixed-Rate Note Agreements, to be issued by Ayala Land on the Issue Date.

“Joint Lead Underwriters” shall refer to BDO Capital and China Bank Capital being the Joint Lead Underwriters and Joint Bookrunners appointed by the Issuer under the Underwriting Agreement.

“sqm” refers to square meters.

“SRC” shall mean the Securities Regulation Code of the Philippines (Republic Act No. 8799).

“SRC IRR” shall mean the 2015 Implementing Rules and Regulations of the Securities Regulation Code

“Taxes” shall mean any present or future taxes including, but not limited to, documentary stamp tax, levies, imposts, filing and other fees or charges imposed by the Republic of the Philippines or any political subdivision or taxing authority thereof including surcharges, penalties and interests on said taxes, but excluding final withholding tax, gross receipts tax, and taxes on the overall income of the Underwriter or of the Noteholders.

“Trustee” shall refer to China Banking Corporation – Trust and Asset Management Group appointed by the Issuer under the Trust Indenture for the Fixed-Rate Notes.

Titles of sections, subsections and clauses in this Information Packet / Information Memorandum are used for convenience of reference only and do not limit or affect the interpretation of the sections, subsections and clauses hereof. In case of conflict between the provisions of this Information Packet / Information Memorandum and the Fixed-Rate Note Agreements, the provisions of the Fixed-Rate Note Agreements shall prevail.

COMPANY OVERVIEW

Ayala Land, Inc. (“Ayala Land”, “ALI” or the “Company”) was formerly the real estate division of Ayala Corporation and was incorporated on June 30, 1988 to focus on the development of its existing real estate assets. In July 1991, the Company became publicly-listed through an initial public offering (“IPO”) of its primary and secondary shares on the Makati and Manila Stock Exchanges (predecessors of the Philippine Stock Exchange).

As of September 30, 2017, Ayala Corporation’s effective ownership in Ayala Land was 47.09% with the remaining interest owned by the public. Ayala Land had a total of 14,724,947,588 outstanding common shares and 13,066,494,759 voting preferred shares. Foreign equity ownership in Ayala Land is 22.92% composed of 5,761,894,546 outstanding common shares and 607,203,775 voting preferred shares. Equity attributable to equity holders of Ayala Land amounted to ₱157.54 billion.

As of September 29, 2017, Ayala Land had a total market capitalization of ₱640.54 billion based on the closing price of ₱43.50 per common share, the last trading day of the said month.

Ayala Land is the leading and most diversified real estate conglomerate in the Philippines engaged in the planning and development of large scale, integrated estates having a mix of use for the sale of residential lots and buildings, office buildings and commercial and industrial lots, leasing of commercial and office spaces and the development, operation and management of hotels and resorts. The Company also develops commercial and industrial parks and is also engaged in property management, construction and other businesses like retail and healthcare.

To carry on its business in an organized and efficient manner, Ayala Land structured its operations into key strategic business lines such as Property Development, Commercial Leasing, Hotels and Resorts and Services.

Property Development

Property Development includes Strategic Land Bank Management, Visayas-Mindanao Group and the Residential Business Group.

Strategic Land Bank Management handles the acquisition, development and sale of large scale, mixed-use, master-planned communities, the sale of Ayala Land's share in properties made available to subsidiaries for development and the lease of gas station sites and carparks outside Ayala Center in Makati City. Visayas-Mindanao Group handles the development, sale and lease of the Company and its subsidiaries' product offerings in key cities in the Visayas and Mindanao regions.

The Residential Business Group handles the sale of high-end residential lots and units (including leisure community developments), office spaces, commercial and industrial lots, middle-income residential lots and units, affordable lot units and house and lot packages, economic housing units and house and lot packages, and socialized housing packages, and the lease of residential units and marketing of residential developments. The products developed and sold are further classified into the following brands: AyalaLand Premier (“ALP”) for high-end village lots and condominium units, Alveo Land Corp. (“Alveo”) for upscale village lots, condominium and office units, Avida Land Corp. (“Avida”) for middle-income village lots, house and lot packages and condominium and office units, Amaia Land Corp. (“Amaia”) for economic house and lot packages, and BellaVita Land Corp. (“BellaVita”) for the socialized house and lot packages.

Commercial Leasing

Commercial Leasing includes the development and lease of Shopping Center and Office spaces and Hotels and Resorts operations.

Shopping Centers include the development of shopping centers and lease to third parties of retail space and land, the operation of movie theaters, food courts, entertainment facilities and carparks in these shopping centers and the management and operations of malls which are co-owned with partners.

Office Leasing includes the development and lease of office buildings.

Hotels and Resorts include the development, operation and management of branded and owner-operated hotels, operation and management of eco-resorts.

Services

Services include Property Management and Construction.

Construction of Ayala Land and third-party projects and land development is done through Makati Development Corporation (“MDC”).

Property Management which involves facilities management of Ayala Land and third-party projects, operation of water and sewage treatment facilities in some Ayala Land projects, distribution of district cooling systems and the bulk purchase and supply of electricity for energy solutions are done through Ayala Property Management Corporation (“APMC”).

Distribution Methods of Products

The Company’s residential products are distributed to a wide range of clients through various sales groups.

Ayala Land has its own in-house sales team for ALP projects. In addition, it has a wholly-owned subsidiary, Ayala Land Sales, Inc. (“ALSI”), which employs commission-based sales people. Ayala Land uses a sales force of about 15,000 brokers and sales agents guided by a strict Code of Ethics. Separate sales groups have also been formed for Alveo, Avida, Amaia and BellaVita. Ayala Land and its subsidiaries also tap external brokers to complement these sales groups.

Marketing to the Overseas Filipino (“OF”) market is handled by Ayala Land International Sales, Inc. (“ALISI”). Created in March 2005, ALISI leads the marketing, sales and channel development activities and marketing initiatives of the brands abroad through project websites, permanent sales offices or broker networks, and regular roadshows with strong follow-through marketing support in key cities abroad. ALISI has marketing offices in North America (Milpitas and San Francisco), Hong Kong, Singapore, Dubai, Rome, and London. ALISI likewise assumed operations of AyalaLand Int’l. Marketing in Italy and London, in 2014.

In addition, the Ayala Group also developed “One Ayala,” a program which bundles the products and services of Ayala Land, BPI, and Globe Telecom, Inc. and gives access to potential Ayala Land clients overseas through BPI’s 17 overseas offices and 81 tie-ups. An Ayala Land-BPI Dream Deals program was also created to generate additional sales from the local market.

Since 2008, all residential sales support transactions are undertaken by the shared services company Amicassa Process Solutions, Inc. (“APSI”) while all transactional accounting processes across the Ayala Land Group are handled by Aprisa Business Solutions, Inc. (“APRISA”) since 2010.

Financial Highlights

Ayala Land, Inc. (ALI or “the Company”) delivered consistent earnings growth of 18% in the past nine months of 2017, posting a net income of P17.81 billion. It sustained a healthy topline with P98.93 billion in consolidated revenues, 16% higher than the previous year. Revenues from Real Estate likewise increased 16% to P93.19 billion driven by strong property sales and the steady growth of its leasing

business. Meanwhile, Earnings before interest and taxes (EBIT) margin registered at 32% compared to 31% last year.

Ayala Land posted a solid balance sheet position as of the past nine months of 2017 which provides adequate capacity to support its growth plans in the coming years.

Cash and Cash Equivalents, including short-term investments and UITF investments classified as FVPL, stood at P25.79 billion resulting in a current ratio of 1.21:1.

Total Borrowings stood at P167.31 billion as of September 2017 from P159.80 billion as of December 2016. This translated to a Debt-to-Equity Ratio of 0.91:1 and a Net Debt-to-Equity Ratio of 0.77:1.

Return on Equity was at 15.6% as of September 30, 2017.

Ayala Land spent a total of P63.2 billion for project and capital expenditures in the past nine months of 2017. Of the total capital expenditure, 49% was spent on the completion of residential projects and 28% was spent on commercial leasing projects. 17% was spent on land acquisition, new businesses, services and other investments while 6% was spent on the development of its estates.

Recent Developments

2017

July 17, 2017 – ALI issued and listed on the PDEX Short Dated Notes P4.3B due 2019 carrying a fixed coupon of 2.75%. This is the first ever enrolment in the Philippines of a corporate security that will be distributed to Qualified Institutional Buyers.

August 18, 2017 – The Board of Directors approved the following:

1. The declaration of cash dividends of ₱0.24 per outstanding common share. This brings full year dividends to ₱0.48 per common share which reflects a payout ratio of 34% of prior year's earnings. The cash dividend will be payable on September 15, 2017 to stockholders of common shares as of record date September 5, 2017.
2. The revised charters of the following committees, to comply with the Code of Corporate Governance for publicly-listed companies:
 - Related-Party Transactions Review Committee
 - Audit Committee
 - Risk Oversight Committee

August 31, 2017 – On August 31, Ayala Corporation through its wholly owned subsidiary AC Ventures Holding Corp (“AC Ventures”), Ayala Land Inc. (“Ayala Land”) through its wholly owned subsidiary AMSI, Inc. (“AMSI”), BPI Capital Corporation, and Kickstart Ventures Inc. subscribed to the shares in BF Jade E-Service Philippines, Inc. (“BF Jade”), all closing conditions having been complied with. Ayala Corporation and Ayala Land assigned their rights to subscribe to BF Jade shares to AC Ventures and AMSI respectively. Through this transaction, Ayala Land, Inc. owns approximately 1.91% of the equity stake in BF Jade.

October 30, 2017 - SIAL CVS Retailers, Inc., FamilyMart Co., Ltd., and ITOCHU Corporation have entered into a Memorandum of Agreement to sell 100% of the outstanding shares of Philippine FamilyMart CVS, Inc. (“PFM”) to P-H-O-E-N-I-X Petroleum Philippines, Inc. (“PNX”). PFM is the official Area Franchisee of the Family Mart brand of convenience stores in the Philippines, with a current network of 67 company-owned and franchised stores all over the country. PNX is the leading independent and fastest-growing oil company in the Philippines, with a wide network of retail stations and commercial and

industrial clients all over the Philippines. SIAL CVS Retailers, Inc., a 50-50 joint venture company between ALI Capital Corp. (a 100% subsidiary of Ayala Land, Inc.) and SSI Group, Inc. (“SSI”), currently owns 60% of PFM, while Japanese companies, FamilyMart Co., Ltd. and ITOCHU Corporation, own 37.6% and 2.4% respectively. The sale transaction will be subject to the approval of the Philippine Competition Commission.

November 20 – 2017- The Board of Directors approved the following:

1. The promotion of the following officers effective January 1, 2018, as endorsed by our Corporate Governance and Nomination Committee:

Augusto D. Bengzon – From Vice-President to Senior Vice-President
Joseph Carmichael Z. Jugo – Assistant Vice-President to Vice-President

2. The setting of the 2018 Annual Stockholders' Meeting for April 18, 2018 at 9:00 o'clock in the morning at Ballroom 2, Fairmont Makati, 1 Raffles Drive, Makati Ave., Makati City. The record date for the determination of stockholders entitled to notice and to vote at the meeting is on March 2, 2018 and the deadlines for the nomination of directors and submission of proxies are on March 2, 2018 and April 6, 2018, respectively.
3. The revised charter of the Corporate Governance and Nomination Committee to comply with the Code of Corporate Governance for publicly-listed companies.

2016

Ayala Land launched 43 new projects worth ₱87.8 billion in 2016 composed of twenty-eight (28) residential projects / office for sale, five (5) shopping centers, four (4) offices and six (6) hotel and resorts. The Company also opened new Shopping Centers like Ayala Malls South Park, UP Town Center, Solenad and Ayala Malls Legazpi and addition of Tutuban Center, Manila. These projects expanded the GLA of Shopping Centers to 1.62 million sqm as of December 31, 2016.

The Company also opened new Offices such as Vertis North 1, Ayala Center Cebu, Bonifacio Stopover BGC, UP Technohub Building P and UP Town Center BPO. These projects expanded the GLA of Offices to 836,000 sqm as of December 31, 2016.

On June 1, 2016, Ayalaland Malls Synergies, Inc., a wholly owned subsidiary of ALI, was incorporated. This company will house the Commercial Business Group's allied businesses such as but not limited to the partnership with Meralco, LED, operation of upcoming mall's foodcourt.

During the period April to May 2016, ALI purchased common shares and preferred redeemable shares of Prow Holdings, Inc. (“PHI”) and these investments were accounted for as Investments in Associate as at June 30, 2016. However, in August 2016, additional common shares and preferred redeemable shares were purchased which increased ALI's ownership interest to 55% of the total outstanding capital stock of PHI. As at September 30, 2016, PHI has been considered as a subsidiary and is initially consolidated as an asset acquisition. The transactions were entered based on the governing joint venture agreement for the development of Alvierra Estate in Porac, Pampanga.

On March 1, 2016, SIAL Specialty Retailers, Inc. (SIAL), a joint venture company of ALI and SSI, entered into a Deed of Absolute Sale with Metro Retail Stores Group, Inc. to sell fixed assets in SIAL's department stores located at Fairview Terraces and UP Town Center.

On February 24, 2016, ALI and Prime Orion Philippines, Inc. (“POPI”) executed a Deed of Subscription and Supplement to the Deed of Subscription. These agreements are for ALI's acquisition of 2.5 billion common shares of POPI for ₱2.25 per share or a total subscription price of ₱5.6 billion which represents 51.06% ownership in POPI.

As at September 30, 2016, the POPI Group has been consolidated in the financial statements of the ALI as ALI became a stockholder of POPI upon the approval by the SEC of the application of POPI for the increase of its authorized capital stock and the issuance of the Certificate of Increase in Capital Stock on July 4, 2016. The right of the ALI to vote, to receive dividends and exercise all other rights of the stockholder all originate from it owning shares in POPI as at July 4, 2016. ALI consolidated POPI in its September 30, 2016 Financial Statements using POPI's book value balances.

On January 12, 2016, ALI entered into a partnership with Manila Water Philippine Ventures, Inc., a wholly owned subsidiary of Manila Water Company for the waterworks of ALI's projects nationwide. The Memorandum of Agreement was signed by ALI and its subsidiaries and affiliates Cebu Holdings, Inc. and Cebu Property Ventures and Development

On January 21, 2016, ALI and LT Group, Inc. entered into an agreement to jointly develop a 35-hectare township project along the C5 corridor. The project is envisioned to be a township development that spans portions of Pasig City and Quezon City.

Future Plans and Prospects

Ayala Land believes that the Philippines continues to be fundamentally strong, having remained resilient amid the challenges in the global economy. While the Company expects most of its business units to continue growing at a healthy pace through 2017, it remains watchful of relevant macroeconomic indicators that may potentially impact the business environment. Further, the Company will continue to strengthen its growing portfolio of power investments as the Company executes on various projects.

Ayala Land's Principal Strengths

Ayala Land's principal strength lies in its proven track-record, strong brand reputation and its ability to develop quality real estate products that cater to the different segments in the market.

Proven Track Record

With over eight (8) decades of experience, together with Ayala Corporation, Ayala Land is the largest and most experienced real estate developer in the Philippines. Ayala Land's proven track record includes the development of Makati Central Business District, Ayala Alabang, Cebu Business Park, Bonifacio Global City and Nuvali.

Strong Brand Reputation

The Ayala Land name is synonymous with quality and prestige and is the most widely trusted brand in Philippine real estate. Ayala Land maintains leadership in most of its product lines – residential subdivisions and high-rise, shopping centers, office buildings – and across a broad spectrum of price-points and geographies.

Because of its strong brand reputation, Ayala Land is also the partner of choice for strategic partners and land owners who want to make significant new investments in the country and help prime the Company's strategic growth centers. Added to this, many of the best names in local and international retailing prefer to be located in its shopping centers while top multinationals either set up base in its headquarter-type offices or locate in its BPO facilities.

Anchored on shared values and a long-term orientation, Ayala Land builds strong relationships with its business partners, land owners, tenants, employees, customers, the local government, non-government organizations and communities. This allows the Company to enhance its position as the leading property developer in the Philippines.

Substantial and Strategically Located Land Bank

With 9,852 hectares of land bank across strategic locations in the Philippines, Ayala Land is well positioned to take advantage of the growth prospects in the real estate sector in the Philippines. It is currently present across 55 identified growth centers in the country.

Well-managed, Highly Capable and Professional Organization

Combining leading-edge product innovation with prudent and effective risk management practices, the Company has the ability to manage across a complex portfolio of projects and developments and is able to thrive and prosper through the cyclical nature of the industry. The Company employs a proven and highly-credible management, architectural and engineering talent pool across all levels of the organization, most with experience across multiple business lines. Ayala Land also consistently ranks among the top Philippine companies in terms of corporate governance standards and best practices.

Ayala Land also draws on the competitive advantage provided by its wholly-owned subsidiaries, MDC and APMC, which are the country's largest and most experienced construction and property management companies, respectively.

Sustainable Practices

Over the years, Ayala Land has been intensifying the integration of sustainability principles in every step of its business processes. ALI's entire business process, from acquisition, assessment, planning, design, construction, delivery and property management focus on long-term benefits and shared value for stakeholders while foreseeing and managing risks and protecting all investments. Ayala Land has sustainability and risk management policies in place to protect projects from flooding and other geohazards. Technical due diligence is an integral part of site assessment, while flood and erosion control measures are built into masterplans, through site designs that include retention and detention basins, biodiversity (native vegetation) conservation where applicable. Projects are also designed to serve the needs of the commuting and walking public. Ayala Land also has set greenhouse gas emission intensity reduction targets and monitors energy, water and waste metrics in the properties it continues to manage.

Solid Balance Sheet and Strong Shareholder Base

The Company has a strong balance sheet, supportive strategic shareholders, a variety of available funding sources that strengthens its capability to undertake both pocket-sized and large-scale projects or investments that balance the need for sustained earnings growth and long-term net asset value accretion.

Growth Drivers of the Philippine Economy

The Philippine real estate industry offers rich opportunities across all its sub-sectors. Its bright prospects are anchored on stable fundamentals: a robust economy, rising foreign inflows, particularly from OFWs, increased affordability and the availability of attractive financing from banks, resilient consumption spending in retail, and encouraging long-term prospects for office space in the BPO sector.

For the three-year period ended December 31, 2016, Ayala Land has delivered a 3-year average Total Shareholder Return of 34.6%, slightly lower than the 3-year average Total Shareholder Return of the Property Index of 37.9%. Total Shareholder Return is based on share price appreciation plus dividends paid for the relevant period.

Ayala Land's Business Strategy

Ayala Land will continue to develop large-scale, mixed-use integrated communities while diversifying its revenue base across its wide portfolio of businesses. To achieve this, Ayala Land will embark on an aggressive strategy anchored on four (4) main pillars that will lay the ground work for the Company's long-term sustainable growth:

- *Growth.* The Company will actively strengthen and slowly establish its presence in several identified growth centers across the country to effectively expand its footprint into new geographies. It will also introduce new formats within its existing business models to diversify its portfolio of highly differentiated product offerings and tap into previously unserved markets and consumer segments to broaden its reach.
- *Margin Improvement.* Ayala Land will continue to implement various spend management and cost control measures and pursue operational efficiencies further across the organization, without sacrificing quality and with strict adherence to the principles of sustainability, to bring overall costs down and drive profitability.
- *Capital Efficiency.* The Company will also make more efficient use of resources and capital to improve asset turnover and returns on capital. To this end, Ayala Land will pursue an asset-light approach to development and optimize land use by maximizing synergies within the organization, moving with scale to maximize utilization and value-capture.
- *Organizational Development.* Ayala Land will continue to strengthen its risk management program to effectively contain strategic, operational, financial and supply-chain risks associated with increased business activity levels, enhance its internal talent pool and support systems and ensure that these are supportive of the Company's growth objectives.
- *Brand-Building.* The Company will continue to leverage on product differentiation and its distinct value proposition. Moreover, it shall ensure the safety, security, and timely delivery of all projects accompanied by efficient and effective customer service.

Ayala Land's Principal Shareholder

As of September 30, 2017, Ayala Corporation's effective ownership in Ayala Land was 47.09% with the remaining interest owned by the public. Ayala Corporation is one of the Philippines' oldest conglomerates, with businesses in real estate, telecommunications, financial services, and a broad range of investments in water, electronics, energy, infrastructure, international operations, business process outsourcing, automotive, education, and healthcare.

Ayala Land's Principal Executive Offices

Ayala Land's executive offices are located at the 31st Floor, Tower One and Exchange Plaza, Ayala Triangle, Ayala Avenue, Makati City 1226. The telephone number at this address is (632) 908-3100 and the fax number is (632) 750-7946.

Risk Factors

As Eligible Noteholders, prospective investors should consider carefully all of the information set forth in this Information Packet / Information Memorandum and, in particular, prospective investors should evaluate the specific risk factors set forth in this Information Packet / Information Memorandum for risks involved in the purchase of the Fixed-Rate Notes. These factors may be summarized into those that pertain to the business and operations of Ayala Land, in particular, and those that pertain to the overall political, economic, and business environment in the Philippines, in general. Information set forth in this Information Packet / Information Memorandum, including the risk factors listed below, are not exhaustive

and are not represented as the only relevant considerations relevant to an investment decision of an Eligible Noteholder. Such investors are encouraged to consult their own professional advisors in respect of considering an investment in the Fixed-Rate Notes, including tax considerations in respect of any investment in, and the holding and disposition of, the Fixed-Rate Notes.

CERTAIN RISKS ASSOCIATED WITH THE COMPANY

1. Ayala Land faces a highly competitive business environment
2. Ayala Land's business may be affected by the risk posed by an asset price bubble
3. Ayala Land's leverage creates a number of operating risks and might affect its ability to repay the Fixed-Rate Notes
4. Ayala Land is subject to certain debt covenants
5. The occurrence of certain events of default under Ayala Land's other debt could affect Ayala Land's ability to repay the Fixed-Rate Notes
6. The Fixed-Rate Notes may be subordinated to other debt
7. Ayala Land from time to time considers business combination alternatives
8. Successful development of Ayala Land's projects is dependent on various factors
9. Ayala Land's business is affected by regulation in the Philippines
10. Operational and Physical Risk Factors in Ayala Land's Business
11. Natural catastrophes may affect Ayala Land's businesses adversely
12. The prospects of Ayala Land may be influenced by political and economic factors in the Philippines
13. Ayala Land's business operations may be affected by any political and military instability in the Philippines
14. Any economic slowdown or deterioration in economic conditions in the Philippines may adversely affect Ayala Land's business and operations in the Philippines

CERTAIN RISKS ASSOCIATED WITH THE FIXED-RATE NOTES

1. Even if the Fixed-Rate Notes are enrolled and traded on the PDEX, an active or liquid trading market for the Fixed-Rate Notes may not develop
2. Rules for trading the Fixed-Rate Notes may be promulgated that affect the ability to transact these on the secondary market.
3. Holders of the Fixed-Rate Notes may face possible taxable gain or a capital loss if the Fixed-Rate Notes are sold at the secondary market.
4. The Fixed-Rate Notes have no preference under Article 2244(14) of the Civil Code
5. The BIR's tax treatment of the Fixed-Rate Notes may vary from the tax treatment described in this Information Packet / Information Memorandum. Any adverse tax consequences upon the Noteholder arising from any variance in tax treatment shall be for such Noteholder's sole risk and account.

SUMMARY OF FINANCIAL INFORMATION

The following table sets forth financial and operating information on Ayala Land. Prospective purchasers of the Fixed-Rate Notes should read the summary financial data below together with the audited consolidated financial statements, including the notes thereto, presented as an Annex to this Information Packet / Information Memorandum. The summary financial data as of December 31, 2016, 2015 and 2014 were derived from Ayala Land's audited consolidated financial statements, including the notes thereto, which are included in this Information Packet / Information Memorandum and from Ayala Land's 2016 annual report. Ayala Land's consolidated financial statements December 31, 2016, 2015 and 2014 were prepared in compliance with PFRS and audited by SGV & Co in accordance with PSA.

(in million Pesos, except Earnings Per Share (EPS))	For the nine months ended September 30	For the years ended December 31		
	2017 Unaudited	2016 Audited	2015 Audited	2014 Audited
Income Statement Data				
Revenues	P 98,927	P 124,628	P 107,183	P 95,197
Costs and expenses				
Real estate	59,631	76,566	65,335	59,396
General and administrative expenses	5,090	7,031	6,592	6,203
Interest and other financing charges	5,760	7,315	6,506	5,365
Other Charges	637	1,053	999	376
Subtotal	71,118	91,965	79,432	71,340
Income before income tax	27,809	32,663	27,751	23,857
Provision for income tax				
Current	7,185	8,752	8,562	7,011
Deferred	(66)	(520)	(1,708)	(868)
	7,119	8,232	6,854	6,143
Net Income	P 20,690	P 24,431	P 20,897	P 17,714
Net Income attributable to:				
Equity holders of Ayala Land, Inc.	17,810	20,908	17,630	14,802
Non-controlling interests	2,880	3,523	3,267	2,912
Unappropriated retained earnings				
Balance, beginning of year	83,799	71,952	60,478	51,609
Cash dividends				
Common share	(7,065)	(6,999)	(6,094)	(5,871)
Preferred share	(62)	(62)	(62)	(62)
Net Income attributable to equity holders of Ayala Land, Inc.	17,810	20,908	17,630	14,802
Net Income appropriation during the year	-	(2,000)	-	-
Balance at end of year	94,481	83,799	71,952	60,478
Basic Earnings per share*	P 1.22	P 1.43	P 1.20	P 1.05
Diluted Earnings per share**	P 1.22	P 1.43	P 1.20	P 1.05

*Based on weighted average number of common shares (in thousands): 14,724,947 as at September 30, 2017, 14,588,347 as at December 31, 2016; 14,580,415 as at December 31, 2015; and 14,074,173 as at December 31, 2014.

**Based on weighted average number of common shares (in thousands): 14,758,974 as at September 30, 2017 14,589,542 as at December 31, 2016; 14,583,107 as at December 31, 2015; and 14,079,005 as at December 31, 2014.

Summary of Financial Information

As at December 31				
(in million Pesos)	September 30, 2017 Unaudited	2016 Audited	2015 Audited	2014 Audited
Selected Balance Sheet Data				
Cash and cash equivalents and other assets ¹	19,440	23,076	19,540	34,586
Land and improvements	100,935	101,457	93,303	80,445
Investment properties	124,342	107,931	80,465	67,898
Total assets	561,740	536,432	442,342	388,944
Current portion of long term debt	6,476	5,187	888	5,067
Long term debt- net of current portion	148,621	130,369	111,702	103,296
Total liabilities	377,056	363,749	292,516	266,949
Equity attributable to equity holders of Ayala Land, Inc.	157,544	147,705	133,731	106,940
Non-controlling interests	27,140	24,978	16,094	15,055
Total equity	184,684	172,683	149,825	121,995

¹ Includes Cash and Cash Equivalents and Short-term Investments and Investments in Unit Investment Trust Funds ("UITF") classified as Financial Assets at Fair Value through Profit or Loss ("FVPL")

The table below sets forth the comparative performance indicators of the Company and its subsidiaries:

	September 30, 2017	December 31, 2016	December 31, 2015	December 31, 2014
Current ratio ¹	1.21:1	1.12:1	1.14:1	1.23:1
Debt-to-equity ratio ²	0.91:1	0.93:1	0.87:1	1.02:1
Net debt-to-equity ratio ³	0.77:1	0.79:1	0.74:1	0.74:1
Return on assets ⁴	5.0%	5.00%	5.00%	5.00%
Return on equity ⁵	15.6%	14.90%	15.00%	14.00%
Asset to Equity ⁶	3.04:1	3.11:1	2.95:1	3.19:1
Interest Rate Coverage ⁷	6.0	5.6	5.5	5.7

¹ Current assets / current liabilities

² Total debt/ consolidated stockholders' equity, net of unrealized gain (Total debt includes short-term debt, long-term debt and current portion of long-term debt)

³ Net debt/ consolidated stockholders' equity (Net debt is total debt less cash and cash equivalents, short term investments and financial assets through FVPL – excludes ARCH Capital Fund)

⁴ Total Net income / average total assets

⁵ Net income attributable to equity holders of ALI / average total stockholders' equity attributable to equity holders of ALI

⁶ Total assets / total stockholders' equity

⁷ EBITDA / interest expense. EBITDA is computed as Income before income tax + Interest and other financing charges and Other charges - Interest and investment income + Depreciation and amortization

CERTAIN LEGAL PROCEEDINGS

As of December 31, 2016, ALI, its subsidiaries, and its affiliates, are not involved in any litigation regarding an event which occurred during the past five (5) years that they consider material.

However, there are certain litigations ALI is involved in which it considers material, and though the events giving rise to the said litigation occurred beyond the five (5) year period, the same are still unresolved, as follows:

Las Piñas Property

Certain individuals and entities have claimed an interest in ALI's properties located in Las Piñas, Metro Manila, which are adjacent to its development in Ayala Southvale.

Prior to purchasing the aforesaid properties, ALI conducted an investigation of titles to the properties and had no notice of any title or claim that was superior to the titles purchased by ALI. ALI traced its titles to their original certificates of title and ALI believes that it has established its superior ownership position over said parcels of land. ALI has assessed these adverse claims and believes that its titles are in general superior to the purported titles or other evidence of alleged ownership of these claimants. On this basis, beginning October 1993, ALI filed petitions in the RTC of Makati and Las Piñas for quieting of title to nullify the purported titles or claims of these adverse claimants. These cases are at various stages of trial and appeal. Some of these cases have been finally decided by the Supreme Court ("SC") in ALI's favor. These include decisions affirming the title of ALI to some of these properties, which have been developed and offered for sale to the public as Sonera, Ayala Southvale. The remaining pending cases involve the remaining area of approximately 126 hectares.

Ayala Property Management Corp.

As a result of the explosion which occurred on October 19, 2007 at the basement of the Makati Supermarket Building, the Philippine National Police has filed a complaint with the Department of Justice ("DOJ") and recommended the prosecution of certain officers/employees of Makati Supermarket Corporation, the owner of the building, as well as some employees of ALI's subsidiary, Ayala Property Management Corp. ("APMC"), among other individuals, for criminal negligence. In a Joint Resolution dated April 23, 2008, the DOJ special panel of prosecutors ruled that there was no probable cause to prosecute the APMC employees for criminal negligence. This was affirmed by the DOJ Secretary in a Resolution dated November 17, 2008. A Motion for Reconsideration was filed by the Philippine National Police which remains pending with the DOJ. To date, no civil case has been filed by any of the victims of the incident.

ALI has made no provision in respect of such actual or threatened litigation.

SUMMARY OF THE OFFER

This Information Packet / Information Memorandum and Offering relates to the Fixed-Rate Notes with a principal amount of Three Billion One Hundred Million Pesos (₱3.1 Billion). The following summary of the offer does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Information Packet / Information Memorandum.

FIXED-RATE NOTES DUE 2019

Issuer	: Ayala Land, Inc. ("Ayala Land")
Issue	: PHP-denominated SEC-registration Exempt Fixed-Rate Notes ("Fixed-Rate Notes")
Issue Amount	: Three Billion One Hundred Million Pesos (₱3.1 Billion)
Use of Proceeds	: The net proceeds of the Issue are intended to be used by Ayala Land for refinancing and general corporate requirements.
Issue Price	: Par or 100% of face value
Form and Denomination	: The Fixed-Rate Notes shall be issued in scripless form in denominations of ₱50,000,000 each, as a minimum, and in multiples of ₱50,000,000 thereafter.
Joint Lead Underwriters and Joint Bookrunners	: BDO Capital & Investment Corporation China Bank Capital Corporation
Issue Date	: November 23, 2017 or the immediately succeeding Business Day, if such Issue Date is not a Business Day, or such other date as may be agreed by the Issuer and the Joint Lead Underwriters.
Maturity Date	: The date falling 15 months after Issue Date or on February 23, 2019, unless previously redeemed or cancelled; provided that, in the event that such Maturity Date falls on a day that is not a Business Day, the Maturity Date shall be the immediately succeeding Business Day, without adjustment to the amount of interest to be paid.
Interest Rate	: Fixed interest rate of 3.25% per annum calculated on a European 30/360 day count basis, paid quarterly in arrears.
Interest Payment Date	: February 23, 2018 for the first Interest Payment Date and May 23, August 23, and November 23 of each year for each subsequent Interest Payment Date, during which the Fixed-Rate Notes are outstanding; and in the event that any of such Interest Payment Dates are not Business Days, such Interest Payment Dates shall be deemed to be the immediately succeeding Business Day. The last Interest Payment Date shall fall on the respective Maturity Dates or the succeeding Business Day if such date is not a Business Day.
Manner of Offering	: Offering will be limited to resident juridical persons or entities who, at the point of offer or purchase, are classified or considered as Qualified Buyers under Section 10.1.3 of the 2015 IRR of the SRC, and when applicable, duly qualified by Qualified Investor Registrar. No offering shall be made to individuals or non-resident investors.

- Redemption for Taxation Reasons : If payments under the Fixed-Rate Notes become subject to additional or increased Taxes other than the Taxes and rates of such Taxes prevailing on the Issue Date as a result of certain changes in law, rule or regulation, or in the interpretation thereof, and such additional or increased rate of such Tax cannot be avoided by use of reasonable measures available to the Issuer, the Issuer may redeem the Fixed-Rate Notes in whole, but not in part, (having given not more than sixty (60) nor less than fifteen (15) days' prior written notice to the Trustee) at par or 100% face value plus accrued interest.
- Final Redemption : The Fixed-Rate Notes will be redeemed at par or 100% face value on the Maturity Date.
- Negative Pledge : The Fixed-Rate Notes shall have the benefit of a negative pledge on all existing and future assets of the Issuer, subject to certain permitted liens.
- Purchase and Cancellation : The Issuer may at any time purchase any of the Fixed-Rate Notes, in accordance with PDEX Rules, in the open market or by tender or by contract at any price, without any obligation to purchase (and the Noteholders shall not be obliged to sell) Fixed-Rate Notes pro-rata from all Noteholders. Any Fixed-Rate Notes so purchased shall be redeemed and cancelled and may not be re-issued. Upon enrollment of the Fixed-Rate Notes on Philippine Dealing & Exchange Corp. ("PDEX"), the Issuer shall disclose any such transactions in accordance with the applicable PDEX disclosure rules.
- Status of the Short-Dated Notes : The Notes shall constitute the direct, unconditional, unsubordinated, and unsecured obligations of the Issuer ranking at least pari passu and ratably without preference among themselves and among any present and future unsubordinated and unsecured obligations of the Issuer, except for any obligation mandatorily preferred by applicable law other than the preference under Article 2244(14)(a) of the Civil Code of the Philippines.
- Rating : The Fixed-Rate Notes shall not be rated
- Registration : The Notes shall be considered as an SEC-registration exempt transaction under Section 10.1(l) of the SRC and Section 10.1.3 of the 2015 IRR of the SRC as the offering is limited to juridical persons or entities who, at the point of offer or sale, are Qualified Buyers who are juridical persons. As an exempt transaction, the Notes shall not be registered with the SEC, and no notice of exemption shall be filed with the SEC in respect of such transaction.
- Taxation : Interest on the Notes is subject to Final Withholding Tax at a rate of 20%.

Noteholders who are exempt from or not subject to final withholding tax, may avail of such exemption by submitting the necessary documents. Said Noteholder shall submit the following requirements, in form and substance prescribed by the Issuer, to the Registrar or to the Joint Lead Underwriters (together with their completed Application to Purchase) who shall then forward the same to the Registrar: (i) a copy of the (dated no earlier than required to be considered valid under applicable tax regulations at the relevant time) current and valid tax exemption certificate, ruling or opinion issued by the BIR addressed to the Applicant confirming the exemption, as certified by the Corporate Secretary of the Applicant as being a true copy of the original on file with the Applicant, which notarized certification indicates that: (i.a) the exemption certificate is a true copy of the original; (i.b) the original is in the possession of the Corporate Secretary as the duly authorized custodian of the same; and (i.c) the Corporate Secretary has personal knowledge based on his

official functions of any amendment, revocation, expiration, change or any circumstance affecting said certification's validity; (ii) a duly notarized undertaking, in prescribed form, executed by (ii.a) the Corporate Secretary or any authorized representative, who has personal knowledge of the exemption based on his official functions, if the Applicant purchases the Notes for its account, or (ii.b) the Trust Officer, if the Applicant is a universal bank authorized under Philippine law to perform trust and fiduciary functions and purchase the Notes pursuant to its management of tax-exempt entities (i.e. Employee Retirement Fund, etc.), declaring and warranting that the same Noteholder named in the tax exemption certificate described in (i) above, is specifically exempt from the relevant tax, undertaking to immediately notify the Issuer and the Registrar and Paying Agent of any suspension or revocation of the tax exemption certificates, and agreeing to indemnify and hold the Issuer and Registrar and Paying Agent free and harmless against any claims, actions, suits, and liabilities arising from the non-withholding of the required tax; and (iii) such other documentary requirements as may be reasonably required under the applicable regulations of the BIR; provided further that, all sums payable by the Issuer to tax-exempt entities shall be paid in full without deductions for Taxes, duties, assessments, or government charges, subject to the submission by the Noteholder claiming the benefit of any exemption of reasonable evidence of such exemption to the Registrar and Paying Agent.

Transfers taking place in the Register of Noteholders after the Notes are enrolled in PDEX may be allowed between taxable and tax-exempt entities without restriction and observing the tax exemption of tax exempt entities, if and/or when allowed under, and are in accordance with the relevant rules, conventions and guidelines of PDEX and PDTC. A selling or purchasing Noteholder claiming tax-exempt status is required to submit to the Registrar the tax status of the transferor or transferee, as appropriate, together with the supporting documents specified under Registry and Paying Agency Agreement upon submission of Account Opening Documents to the Registrar.

Income arising from gains on the sale or disposition of the Notes will form part of the relevant Noteholders' income and may be subject to tax. Noteholders should consult their own tax advisers on the ownership and disposition of the Notes, including the applicability of any state, local or foreign tax laws.

The BIR's tax treatment of the Fixed-Rate Notes may vary from the tax treatment described herein. Any adverse tax consequences upon the Noteholder arising from any variance in tax treatment shall be for such Noteholder's sole risk and account.

- Enrollment : The Issuer intends to enrol the Fixed-Rate Notes in the PDEX and render them admitted for trading on the PDEX Trading System on the Issue Date.
- Trustee : China Banking Corporation – Trust and Asset Management Group
- Legal Counsel to the Joint Lead Underwriters : Romulo Mabanta Buenaventura Sayoc & de los Angeles

USE OF PROCEEDS

Following the offer and sale of the Fixed-Rate Notes in the amount of ₱3.1 billion, ALLI expects that the net proceeds of the Offer shall be used for refinancing existing debt, and to partially finance general corporate requirements.

DESCRIPTION OF THE FIXED-RATE NOTES

The Fixed-Rate Notes covered by this Information Packet / Information Memorandum and described below were authorized by a resolution of the Board of Directors of the Company dated 20 February 2017. The Fixed-Rate Notes will be issued with a principal amount of ₱3,100,000,000 (the “Fixed-Rate Notes” or the “Offer”) under this Information Packet / Information Memorandum. The Notes shall be considered as an SEC-registration exempt transaction under Section 10.1 (I) of the SRC and Section 10.1.3 of the 2015 SRC IRR as the offering is limited to juridical entities or institutions that, at the point of offer or purchase, whether on the primary or secondary markets, are classified or considered as Qualified Buyers, who are juridical persons, duly determined as such by an SEC-registered Qualified Investor Registrar in applicable cases. No offering shall be made to individuals or non-resident investors. As an exempt transaction, the Fixed-Rate Notes shall not be registered with the SEC, and no notice of exemption shall be filed with the SEC in respect of such transaction. The issuance of the Fixed-Rate Notes will be covered by disclosures to be filed by Ayala Land describing the transaction, according to the policies of the SEC toward exempt transactions such as the Offer.

The Fixed-Rate Notes are constituted by a Trust Indenture executed on 20 November 2017 (the “Trust Indenture”) between the Issuer and China Banking Corporation - Trust and Asset Management Group (the “Trustee”, which term shall, wherever the context permits, include all other persons or companies for the time being acting as trustee or trustees under the Trust Indenture). The description of the terms and conditions of the Fixed-Rate Notes set out below includes summaries of, and is subject to, the detailed provisions of the Trust Indenture and the Registry and Paying Agency Agreement executed on 20 November 2017 (the “Registry and Paying Agency Agreement”) among the Issuer, the Registrar, and the Paying Agent.

PDTC has no interest in or relation to Ayala Land which may conflict with its roles as Registrar and as Paying Agent for the Offer. China Banking Corporation – Trust and Asset Management Group has no interest in or relation to Ayala Land which may conflict with its role as Trustee for the Offer. The Trustee is the trust group of the parent company of China Bank Capital Corporation, one of the Joint Lead Underwriter.

Copies of the Trust Indenture and the Registry and Paying Agency Agreement are available for inspection during normal business hours at the specified offices of the Trustee and the Registrar. The holders of the Fixed-Rate Notes (the “Noteholders”) are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Indenture and are deemed to have notice of those provisions of the Registry and Paying Agency Agreement applicable to them.

1. Eligible Noteholders

Eligible Noteholders will be limited to resident juridical entities or institutions (excluding natural persons) that, at the point of offer or purchase, are Qualified Buyers, whether on the primary or secondary markets.

For reference, the Qualified Buyers, as defined in SRC IRR Rule 10.1.3, are as follows:

- (a) Bank;
- (b) Registered Investment House;
- (c) Insurance Company;
- (d) Pension fund or retirement plan maintained by the Government of the Philippines or any political subdivision thereof or managed by a bank or other persons authorized by BSOP to engage in trust functions;
- (e) Investment Company; or
- (f) Such other person as the SEC may by rule determine as qualified buyers, on the basis of such

factors as financial sophistication, net worth, knowledge and experience in financial and business matters, or amount of assets under management. For this particular class of QIB, it shall be necessary that an SEC-registered QIB registrar shall ascertain the QIB nature of the QIB. The Trading Participant who will deal with the QIB whether as counterparty or Broker represents and warrants the same to PDEX and PDTC in its being involved in the trade, at the time of the same.

For the avoidance of doubt, natural persons and non residents are not eligible buyers or holders of the Fixed-Rate Notes.

2. Handling of Loss of Eligibility by Noteholders

If prior to the Maturity Date of the Notes, and after the purchase thereof, it is discovered that the buyer did not qualify as a Qualified Buyer at the point of purchase on the secondary market, then the Remediation Procedure shall be implemented as provided in paragraph 4 below.

If for any reason after the relevant point of purchase but prior to the Maturity Date of the Notes, a buyer loses its status as a Qualified Buyer after the point of purchase, the Remediation Procedure, as provided in paragraph 4 below, shall not apply, and the buyer shall not be forced to sell its holdings, as outlined in the Remediation Procedure below, and the exempt nature of the Fixed-Rate Notes will not be affected. However, such buyer shall no longer be eligible to purchase additional Fixed-Rate Notes.

3. Continuing Restriction of Holdings to Eligible Noteholders in the Secondary Market

The restriction of holdings to Eligible Noteholders shall be maintained throughout the tenor of this Note, and to this end PDEX Trading Participants that trade on the Notes in the secondary market shall have the following additional responsibilities to the Notes:

- (a) Each Participating Broker or Dealer (“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, the Fixed-Rate Notes, including the option and tax features of the same.
- (b) Each Trading Participant shall warrant that it is fully informed of the special features and mechanics relating to the Notes as contained in this Information Packet / Information Memorandum each time it executes a trade.
- (c) Each Trading Participant shall represent and warrant that their clients (for Brokers) or counterpart clients (Dealers) are Eligible Noteholders as defined above at the point of purchase either on the primary or secondary market, and eligible to purchase and hold the Fixed-Rate notes.
- (d) For each Eligible Noteholder falling under Paragraph 1.(f) above, each Trading Participant shall indicate the QIB Registrar of such QIB clients or counterparts, and represent and warrant that the QIB Registrar is duly registered as such with the SEC.
- (e) The Issuer shall rely on determinations made by the Trading Participants regarding the eligibility of their clients and counterpart clients at the point of purchase of the Fixed-Rate Notes. The Issuer shall not incur any liability to any party arising from the ineligibility of a Trading Participant’s client/counterparty clients causing prejudice to the exempt nature of the Fixed-Rate Notes. The Issuer shall not assume any cost incurred for remediation of the ineligibility (e.g. costs of triggering a sell-out provision below), and shall not assume any cost incurred to implement the Remediation Procedure below.

4. Remediation Procedure – Sell Out Mechanism

If it is discovered after purchase that (i) a buyer is not an Eligible Noteholder at the point of sale, or (ii) a transfer or recording of ownership has been made to an entity who is not an Eligible Noteholder (each of (i) and (ii) shall be deemed as a "Sell Out Trigger"), a remediation procedure via the sell-out mechanism of such ineligible investor or Noteholder's Fixed-Rate Notes will be done in accordance with the following:

- (a) In case of violation of restrictions of Eligible Noteholders, the Registry shall not effect any account opening at the Registry and no transfer will be possible from the Depository to the Registry.
- (b) The party that discovers a violation in the eligibility requirements (e.g. Participant, Registry) must immediately inform PDEX of the violation.
- (c) PDEX shall inform the Trading Participant involved to trigger the Remediation Process - Sell-out Mechanism as follows:
 - a. The ineligible buyer's Trading Participant shall sell out the ineligible client buyer's holdings at the market. In the absence of a better bid then it must sell to the Market Maker.
 - b. The Trading Participant must execute the sell-out transaction no later than three (3) trading day from the day of discovery.
 - c. No ineligible investor shall be allowed to hold the Notes by the end of three (3) trading day from the day of discovery.
 - d. The sell-out mechanism may result in a price difference between the original purchase and the sell-out price. If the price difference results in a loss, such loss shall be assumed by the responsible Trading Participant. If the price difference results in a gain, it shall accrue to the ineligible investor that was forced to sell out the holdings.
 - e. The sell-out shall be reported to the SEC and the responsible Trading Participant may be subject to SEC action.

5. Form, Denomination and Title

(a) Form and Denomination

The Fixed-Rate Notes are in scripless form, and shall be issued, in denominations of Fifty Million Pesos (₱50,000,000.00) each, as a minimum, and in multiples of Fifty Million Pesos (₱50,000,000.00) thereafter.

(b) Title

The beneficial interest to the Fixed-Rate Notes shall be shown on and recorded in the Register of Noteholders maintained by the Registrar. A notice confirming the principal amount of the Fixed-Rate Notes purchased by each applicant in the Offering shall be issued by the Registrar to all Noteholders following the Issue Date. Upon any assignment, title to the Fixed-Rate Notes shall pass by recording the transfer from a transferor to the transferee in the Register of Noteholders maintained by the Registrar. Settlement in respect of such transfer or change of title to the Fixed-Rate Notes, including the settlement of any cost arising from such transfers, including, but not limited to, documentary stamps taxes, if any, arising from subsequent transfers, shall be for the account of the relevant Noteholder.

6. Transfer of the Fixed-Rate Notes

(a) Register of Noteholders

The Issuer shall cause the Register of Noteholders to be kept by the Registrar, in electronic form. The names and addresses of the Noteholders and the particulars of the Fixed-Rate Notes held by them and of all transfers of Fixed-Rate Notes shall be entered into the Register of Noteholders. As required by Circular No. 428-04 issued by the *Bangko Sentral ng Pilipinas*, the Registrar shall send each Noteholder a written statement of registry holdings at least quarterly (at the cost of the Issuer) and a written advice confirming every receipt or transfer of the Fixed-Rate Notes that is effected in the Registrar's system (at the cost of the Issuer). Such statement of registry holdings shall serve as the confirmation of ownership of the relevant Noteholder as of the date thereof. Any requests of Noteholders for certifications, reports or other documents from the Registrar, except as provided herein, shall be for the account of the requesting Noteholder. No transfers of the Fixed-Rate Notes may be made during the period commencing on a Record Date as defined in the section on "*Interest Payment Date*."

(b) Transfers; Tax Status

In accordance with the Terms and Conditions of the Fixed-Rate Notes, transfers across Tax Categories shall not be allowed except on Interest Payment Dates that fall on a Business Day, provided however that transfers from a tax-exempt category to a taxable tax category on a non-Interest Payment Date shall be allowed using the applicable tax-withheld series name on PDEX, ensuring the computations are based on the final withholding tax rate of the taxable party to the trade. Should this transaction occur, the tax-exempt entity shall be treated as being of the same Tax Category as its taxable counterpart for the interest period within which such transfer occurred. For purposes hereof, "Tax Categories" refer to the two (2) applicable final withholding tax categories covering, particularly, tax-exempt entities, and 20% tax-withheld entities. This restriction shall be in force until a non-restricted trading & settlement environment for corporate securities is implemented. Transfers taking place in the Register of Noteholders after the Notes are traded in PDEX may be allowed between taxable and tax-exempt entities without restriction and observing the tax exemption of tax exempt entities, if and/or when allowed under, and are in accordance with the relevant rules, conventions and guidelines of PDEX and PDTTC.

Gain on transfer of Fixed-Rate Notes by a corporate Noteholder shall form part of such entity's income and shall generally be subject to 30% income tax.

A Noteholder claiming tax-exempt status is required to submit to the Registry of Noteholders the required tax-exempt documents as detailed in the Registry and Paying Agency Agreement upon submission of the account opening documents to the Registrar.

Prospective purchasers of the Fixed-Rate Notes should consult their own tax advisors regarding tax considerations of an investment in, receiving income from, and a disposition of, the Fixed-Rate Notes.

(c) Registrar

For transfers and record updates, notices and communication with the Registrar may be made thru the following:

Philippine Depository & Trust Corporation
37th Floor Enterprise Centre Tower I
Ayala Avenue, Makati City, Metro Manila
Telephone no: (632) 884-4425

Fax no: (632) 757-6025
E-mail: baby_delacruz@pds.com.ph
Attention: Josephine Dela Cruz, Director

(d) Secondary Trading of the Fixed-Rate Notes

The Issuer intends to enroll the Fixed-Rate Notes in PDEX for secondary market trading. The Fixed-Rate Notes will be traded in a minimum board lot size of ₱50,000,000.00 as a minimum, and in multiples of ₱50,000,000.00 in excess thereof for as long as any of the Fixed-Rate Notes are traded on PDEX.

The Notes shall be subject to the commitment of at least one (1) Market Maker that will commit to provide a live bid using the tax-withheld series name for the Fixed-Rate Notes in the Order-Driven system good for the minimum trading lot for the issue and a cumulative trading commitment of at least ₱50 Million per trading day per issue. The Market Maker commits to all other regulations as described in the Corporate Security Market Maker Participation Letter.

In addition to the special provisions on the continuing restriction to Eligible Noteholders under paragraph 3 above, secondary market trading in PDEX shall follow the applicable PDEX rules, conventions, operating framework and guidelines governing trading and settlement between Noteholders of different tax status and shall be subject to the relevant fees of PDEX and PDTC. The Market Maker further commits to:

- a. Adopt and abide by a rate reasonability standard that is consistent with PDEX rules, conventions and guidelines, and
- b. Disclose and explain its reference and pricing methodology and any deviations therefrom to PDEX and regulators, upon request.

7. Ranking

The Fixed-Rate Notes constitute direct, unconditional, and unsecured Peso-denominated obligations of the Issuer and shall rank pari passu and ratably without any preference or priority amongst themselves and at least pari passu with all other present and future unsecured obligations of the Issuer, other than obligations preferred by the law.

8. Interest

(a) Interest Payment Dates

The Fixed-Rate Notes bear interest on its principal amount from and including Issue Date at the fixed rate of 3.25% per annum, payable quarterly in arrear on 23 May, 23 August, and 23 November of each year while the Fixed-Rate Notes are outstanding (each of which, for purposes of this section is an "Interest Payment Date") commencing on 23 February 2018 or the subsequent Business Day, without adjustment, if such Interest Payment Date is not a Business Day. The last Interest Payment Date shall fall on the relevant Maturity Date.

The cut-off date in determining the existing Noteholders entitled to receive interest or principal amount due shall be the day two (2) Business Days prior to the relevant Interest Payment Date (the "Record Date"), which shall be the reckoning day in determining the Noteholders entitled to receive interest, principal or any other amount due under the Fixed-Rate Notes. No transfers of the Fixed-Rate Notes may be made during this period intervening between and commencing on the Record Date and the relevant Interest Payment Date.

(b) Interest Accrual

Each Fixed-Rate Note shall cease to bear interest, net of applicable withholding taxes, from and including the relevant Maturity Date, as defined in the discussion on “*Final Redemption*”, unless, upon due presentation, payment of the principal in respect of the Fixed-Rate Note then outstanding is not made, is improperly withheld or refused, in which case the Penalty Interest (see “*Penalty Interest*”) shall apply.

(c) Determination of Interest Amount

The interest shall be calculated on the basis of a 360-day year consisting of twelve (12) months of thirty (30) days each and, in the case of an incomplete month, the number of days elapsed on the basis of a month of thirty (30) days.

9. Redemption and Purchase

(a) Final Redemption

Unless previously purchased and cancelled, the Fixed-Rate Notes shall be redeemed at par or 100% of face value on the Maturity Date. However, payment of all amounts due on such date may be made by the Issuer through the Paying Agent, without adjustment, on the succeeding Business Day if the Maturity Date is not a Business Day.

(b) Redemption for Taxation Reasons

If payments under the Fixed-Rate Notes become subject to additional or increased Taxes other than the Taxes and rates of such Taxes prevailing on the Issue Date as a result of certain changes in law, rule or regulation, or in the interpretation thereof, and such additional or increased rate of such Tax cannot be avoided by use of reasonable measures available to the Issuer, the Issuer may redeem the Fixed-Rate Notes in whole, but not in part, (having given not more than sixty (60) nor less than fifteen (15) days’ prior written notice to the Trustee) at par or 100% face value plus accrued interest.

(c) Purchase and Cancellation

The Issuer may at any time purchase any of the Fixed-Rate Notes in the open market or by tender or by contract at market price, in accordance with PDEX Rules without any obligation to purchase (and the Noteholders shall not be obliged to sell) Fixed-Rate Notes pro-rata from all Noteholders. Any Fixed-Rate Notes so purchased shall be redeemed and cancelled and may not be re-issued. Upon enrollment of the Fixed-Rate Notes on PDEX, the Issuer shall disclose any such transactions in accordance with the applicable PDEX disclosure rules.

(d) Change in Law or Circumstance

The following events shall be considered as changes in law or circumstances (“Change in Law or Circumstance”) as it refers to the obligations of the Issuer and to the rights and interests of the Noteholders under the Trust Indenture and the Fixed-Rate Notes:

- (i) Any government and/or non-government consent, license, authorization, registration or approval now or hereafter necessary to enable the Issuer to comply with its obligations under the Trust Indenture or the Fixed-Rate Notes shall be modified in a manner which, in the reasonable opinion of the Trustee, shall materially and adversely affect the ability of the Issuer to comply with such obligations, or shall be withdrawn or withheld.

- (ii) Any provision of the Trust Indenture or any of the related documents is or shall become, for any reason, invalid, illegal or unenforceable to the extent that shall become for any reason unlawful for the Issuer to give effect to its rights or obligations hereunder, or to enforce any provisions of the Trust Indenture or any of the related documents in whole or in part, or any law shall be introduced to prevent or restrain the performance by the parties hereto of their obligations under the Trust Indenture or any other related documents.
- (iii) Any concessions, permits, rights, franchise or privileges required for the conduct of the business and operations of the Issuer shall be revoked, canceled or otherwise terminated, or the free and continued use and exercise thereof shall be curtailed or prevented, in such manner as to materially and adversely affect the financial condition or operations of the Issuer.
- (iv) The Republic of the Philippines or any competent authority thereof takes any action to suspend the whole or a substantial portion of the operations of the Issuer and to condemn, seize, nationalize or appropriate (either with or without compensation) the Issuer or any material portion of its properties or assets, unless such act, deed or proceedings are contested in good faith by the Issuer.

If any one or more of the events enumerated as a Change of Law or Circumstance shall occur and be continuing for a period of thirty (30) days, the Majority Noteholders, by notice in writing delivered to the Issuer through the Trustee, after the lapse of the said thirty (30) day period, may declare the principal of the Notes, including all accrued interest, net of applicable withholding taxes, and other charges thereon, if any, to be immediately due and payable, and upon such declaration the same shall be immediately due and payable, without any prepayment penalty, anything contained in the Trust Indenture or in the Fixed-Rate Notes to the contrary notwithstanding, subject to the notice requirements under the discussion on “*Notice of Default.*”

10. Payments

The principal of, interest on and all other amounts payable on the Fixed-Rate Notes shall be paid to the Noteholders by crediting of the cash settlement accounts designated by each of the Noteholders. The principal of, and interest on, the Fixed-Rate Notes shall be payable in Philippine Pesos.

The Issuer shall ensure that so long as any of the Fixed-Rate Notes remains outstanding, there shall at all times be a Paying Agent for the purposes of the Fixed-Rate Notes and the Issuer or the Paying Agent may only terminate the appointment of the Paying Agent as provided in the Registry and Paying Agency Agreement. In the event the appointed office of any institution shall be unable or unwilling to continue to act as the Paying Agent, the Issuer shall appoint the Makati City office of such other leading institution in the Philippines authorized to act in its place. The Paying Agent may not resign its duties or be removed without a successor having been appointed.

11. Payment of Additional Amounts; Taxation

Interest income on the Fixed-Rate Notes is generally subject to a final withholding tax at twenty percent (20%). Except for such final withholding tax and as otherwise provided, all payments of principal and interest are to be made free and clear of any deductions or withholding for or on account of any present or future taxes or duties imposed by or on behalf of Republic of the Philippines, including, but not limited to, issue, registration or any similar tax or other taxes and duties, including interest and penalties, if any. If such taxes or duties are imposed, the same shall

be for the account of the Issuer; provided however that, the Issuer shall not be liable for the following:

- (a) The applicable final withholding tax applicable on interest earned on the Fixed-Rate Notes prescribed under the National Internal Revenue Code of 1997, as amended and its implementing rules and regulations as may be in effect from time to time (the "Tax Code"). Noteholders who are exempt from or not subject to final withholding tax rate shall be required to submit the following requirements to the Registrar, subject to acceptance by the Issuer as being sufficient in form and substance: (i) a copy of the (dated no earlier than required to be considered valid under applicable tax regulations at the relevant time) current and valid tax exemption certificate, ruling or opinion issued by the BIR addressed to the Applicant confirming the exemption, as certified by the Corporate Secretary of the Applicant as being a true copy of the original on file with the Applicant, which notarized certification indicates that: (i.a) the exemption certificate is a true copy of the original; (i.b) the original is in the possession of the Corporate Secretary as the duly authorized custodian of the same; and (i.c) the Corporate Secretary has personal knowledge based on his official functions of any amendment, revocation, expiration, change or any circumstance affecting said certification's validity; (ii) a duly notarized undertaking (in the prescribed form and substance by Ayala Land) declaring and warranting that the same Noteholder named in the tax exemption certificate described in (a) above, is specifically exempt from the relevant tax, undertaking to immediately notify the Issuer and the Registrar and Paying Agent of any suspension or revocation of the tax exemption certificates, and agreeing to indemnify and hold the Issuer and the Registrar free and harmless against any claims, actions, suits, and liabilities resulting from the non-withholding of the required tax; and (iii) such other documentary requirements as may be required under the applicable regulations of the BIR; provided further that, all sums payable by the Issuer to tax exempt entities shall be paid in full without deductions for taxes, duties assessments or government charges subject to the submission by the Noteholder claiming the benefit of any exemption of reasonable evidence of such exemption to the Registrar;
- (b) Gross Receipts Tax under Section 121 of the Tax Code;
- (c) Taxes on the overall income of any securities dealer or Noteholder, whether or not subject to withholding; and
- (d) Value-added Tax ("VAT") under Sections 106 to 108 of the Tax Code, and as amended by Republic Act No. 9337.

Documentary stamp tax for the primary issue of the Fixed-Rate Notes and the execution of the Note Agreements, if any, shall be for the Issuer's account.

The BIR's tax treatment of the Fixed-Rate Notes may vary from the tax treatment described herein. Any adverse tax consequences upon the Noteholder arising from any variance in tax treatment shall be for such Noteholder's sole risk and account.

12. Financial Ratios

The Issuer shall maintain, for as long as any of the Fixed-Rate Notes remain outstanding, a Debt to Equity Ratio of not more than 3:1.

13. Negative Pledge

For as long as any of the Fixed-Rate Notes remain outstanding, the Issuer covenants that it shall not, without the prior written consent of the Noteholders who hold, represent or account for more than fifty percent (50%) of the principal amount of the Fixed-Rate Notes then outstanding (the "Majority Noteholders"), permit any indebtedness for borrowed money to be secured by or to benefit from any mortgage, pledge, lien or encumbrance constituted on any of the Issuer's properties for the purpose of securing its or its Affiliate's obligation (a "Lien") in favor of any creditor or class of creditors without providing the Noteholders with a Lien, the benefit of which is extended equally and ratably among them to secure the Fixed-Rate Notes; provided however that, this restriction shall not prohibit "Permitted Liens," which are:

- (a) Any Lien over any asset, including, but not limited to assets purchased, leased, or developed in the ordinary course of business, to secure: (i) the payment of the purchase price or cost of leasehold rights of such asset; or (ii) the payment of the cost and expenses for the development of such asset pursuant to any development made or being made by the Issuer in the ordinary course of business; or (iii) the payment of any indebtedness in respect of borrowed money (including extensions and renewals thereof and replacements therefor) incurred for the purpose of financing the purchase, lease or development of such asset.
- (b) Any Lien constituted for any obligation or credit facility incurred for the purpose of pursuing any infrastructure project or investment therein, whether such infrastructure project is undertaken by the Issuer itself, by its Affiliates, and/or by the Issuer or its Affiliates with third parties, and whether the same is carried on separately from or integrated with any of the real estate development of the Issuer, or any Lien constituted by the Issuer on its right to receive income or revenues (whether in the form of dividends or otherwise) from infrastructure projects or related investments therein.
- (c) Any Lien created for the purpose of paying current taxes, assessments or other governmental charges which are not delinquent or remain payable without any penalty; or the validity of which is contested in good faith in appropriate proceedings upon stay of execution of the enforcement thereof and adequate reserves having been provided for the payment thereof.
- (d) Any Lien to secure, in the normal course of the business of the Issuer or its Affiliates: (i) statutory or regulatory obligations; (ii) surety or appeal bonds; (iii) bonds for release of attachment, stay of execution or injunction; or (iv) performance of bids, tenders, contracts (other than for the repayment of borrowed money) or leases.
- (e) Any Lien: (i) imposed by law, such as carrier's, warehousemen's, mechanics' liens and other similar liens arising in the ordinary course of business and not material in amount; (ii) arising out of pledge or deposits under the workmen's compensation laws, unemployment insurance, old age pensions or other social security or retirement benefits or similar legislation; and (iii) arising out of set-off provisions in the normal course of its financing arrangements; provided that, the Noteholders hereunder shall also have to the extent permitted by applicable law, and upon notice to the Issuer, a similar right of set-off.
- (f) Any Lien in favor of banks, insurance companies, other financial institutions and Philippine government agencies, departments, authorities, corporations or other juridical entities, which secure a preferential financing obtained by the Issuer under a governmental program, and which cover assets of the Issuer which have an aggregate appraised value, determined in accordance with generally accepted appraisal principles and practices consistently applied not exceeding ₱5,000,000,000.00.

- (g) Any Lien existing on the date of the Trust Indenture which is disclosed in writing by the Issuer to the Trustee prior to the execution of the Trust Indenture.
- (h) Any Lien established in favor of insurance companies and other financial institutions in compliance with the applicable requirements of the Office of the Insurance Commission on admitted assets or the requirements of the BSP on loans and financial accommodations extended to directors, officers, stockholders and related interests (“DOSRI”).
- (i) Any Lien constituted for the purpose of guaranteeing an Affiliate’s obligation in connection with any contract or agreement that has been assigned to such Affiliate by the Issuer.
- (j) The assignment, transfer or conveyance of the Issuer’s right to receive any of its income or revenues from receivables arising out of the sale of property held for sale by the Issuer in the ordinary course of business (the “Project Receivables”).
- (k) The assignment, transfer or conveyance of the right of the Issuer to receive any income or revenues other than from Project Receivables; provided that, the constitution by the Issuer of such Lien shall not cause the Issuer to exceed the ratio of the amount of indebtedness of the Issuer secured by any lien constituted pursuant to this subparagraph (k) to the noncurrent assets of the Issuer (as computed in accordance with Philippine Financial Reporting Standards (PFRS) and based on the most recent audited financial statements of the Issuer) which ratio shall not be more than 0.5:1.
- (l) Any Lien to be constituted on the assets of the Issuer after the date of the Trust Indenture which is disclosed in writing by the Issuer to the Trustee prior to the execution of the Trust Indenture or any Lien for an aggregate loan accommodation not exceeding the equivalent of 10% of the market value of the consolidated assets of the Issuer as reflected in the latest appraisal report submitted by an independent and reputable appraiser.
- (m) Any Lien constituted over the investment of the Issuer in any of its Affiliates, whether such investment is in the form of shares, deposits or advances, to guarantee or secure the obligations of the said Affiliates.
- (n) Any Lien constituted for the purpose of guaranteeing an Affiliate’s obligation in connection with any contract or agreement (other than for borrowed money).
- (o) Any title transfer or retention of title arrangement entered into by the Issuer in the normal course of its trading activities on the counterparty’s standard or usual terms.
- (p) Any Lien created over (i) deposits made by the Issuer with the proceeds of any loan facility made to it by any bank or financial institution denominated in a currency other than Philippine Pesos (“foreign currency”); or (ii) financial instruments denominated in foreign currency owned by the Issuer, in each case solely for the purpose of securing loan facilities denominated in Philippine Pesos granted by the Issuer in an aggregate principal amount not exceeding the amount of the deposit of the face amount (or value) of that financial instrument.
- (q) Any Lien created over cash deposits or marketable investment securities in favor of a bank or financial institution to secure any borrowed money in connection with a treasury transaction; provided that, the aggregate amount of security does not at any time exceed US\$30,000,000.00 or its equivalent. For this purpose, a “treasury transaction” means any currency, commodity, or interest rate purchase, cap or collar agreement, forward rate agreement, future or option contract, swap or other similar agreement, in relation to the

Issuer's treasury management;

- (r) The assignment, transfer or conveyance by way of Lien (in any case without recourse) of the Issuer's right to receive any income or revenues from any asset of the Issuer not used in the ordinary course of business; provided that, the constitution by the Issuer of such Lien shall not cause the Issuer to breach the Debt to Equity Ratio.

14. Events of Default

The Issuer shall be considered in default under the Fixed-Rate Notes and the Trust Indenture in case any of the following events (each an "Event of Default") shall occur and is continuing:

- (a) Payment Default

The Issuer fails to pay when due and payable any amount which the Issuer is obliged to pay to the Noteholders under the Trust Indenture and the Fixed-Rate Notes, and such failure, if due to causes other than the willful misconduct or gross negligence of the Issuer, is not remedied within five (5) Business Days from receipt by the Issuer of written notice of such non-payment from the Trustee; provided, however, that, the amount due for payment during the said five (5) Business Day remedy period shall be subject to the interest specified in the section "*Interest.*"

- (b) Representation/Warranty Default

Any representation and warranty of the Issuer hereof or any certificate or opinion submitted pursuant hereto proves to have been untrue, incorrect or misleading in any material respect as and when made and the circumstances which cause such representation or warranty to be incorrect or misleading continue for not less than fourteen (14) days (or such longer period as the Majority Noteholders shall approve) after receipt of written notice from the Noteholders to that effect.

- (c) Other Default

The Issuer fails to perform or violates any other provision, term of the Trust Indenture and the Fixed-Rate Notes, and such failure or violation is not remediable or, if remediable, continues to be unremedied after the applicable grace period, or in the absence of such grace period, after thirty (30) days from the date of occurrence of the said violation with respect to the covenant to maintain the prescribed financial ratio, (particularly a maximum debt to equity ratio of 3:1.0 and within ten (10) Business Days from the date of the occurrence of said violation, with respect to any other covenant or obligation; provided that, the Events of Default constituting insolvency initiated by the Issuer or closure default, or a violation of a negative covenant shall not be remediable.

- (d) Cross Default

The Issuer violates any material term or condition of any contract executed by the Issuer with any bank, financial institution or other person, corporation or entity for the payment of borrowed money which constitutes an event of default under said contract, or in general, violation of any, law or regulation which violation, if remediable, is not remedied by the Issuer within ten (10) Business Days from receipt of notice by the Trustee to the Issuer, or which violation is otherwise not contested by the Issuer, and the effect of such violation results in the acceleration or declaration of the whole financial obligation to be due and payable prior to the stated normal date of maturity; and which violation shall, further, in the reasonable opinion of the Trustee, adversely and materially affect the performance by the Issuer of its obligations under the Trust Indenture and the Fixed-Rate Notes; provided however that, no event of default shall occur under this paragraph unless the aggregate amount of indebtedness in respect of which one or more of the events above mentioned has/have occurred equals or exceeds ₱500,000,000.00.

(e) Insolvency Default

The Issuer becomes insolvent or unable to pay its debts when due or commits or permits any act of bankruptcy, which term shall include, but shall not be limited to: (i) filing of a petition in any bankruptcy, reorganization (other than a labor or management reorganization), winding-up, suspension of payment or liquidation proceeding, or any other proceeding analogous in purpose and effect; (ii) appointment of a trustee or receiver of all or a substantial portion of its properties; (iii) making of an assignment for the benefit of its creditors; (iv) the admission in writing by the Issuer of its inability to pay its debts; or (v) the entry of any order or judgment of any court, tribunal or administrative agency or body confirming the bankruptcy or insolvency of the Issuer or approving any reorganization (other than a labor or management reorganization), winding-up, liquidation or appointment of trustee or receiver of the Issuer or a substantial portion of its property or assets.

(f) Judgment Default

Any final judgment, decree or arbitral award for the sum of money, damages or for a fine or penalty in excess of ₱500,000,000.00 or its equivalent in any other currency is entered against the Issuer and the enforcement of which is not stayed, and is not paid, discharged or duly bonded within thirty (30) calendar days after the date when payment of such judgment, decree or award is due under the applicable law or agreement.

(g) Writ and Similar Process Default

Any judgment, writ, warrant of attachment, injunction, stay order, execution or similar process shall be issued or levied against any material part of the Issuer's assets and such judgment, writ, warrant or similar process shall not be released, vacated or fully bonded within thirty (30) calendar days after its issue or levy.

(h) Closure Default

The Issuer voluntarily suspends or ceases operations of a substantial portion of its business for a continuous period of thirty (30) calendar days except in the case of strikes or lockouts or when necessary to prevent business losses or when due to fortuitous events or *force majeure*.

15. Notice of Default

The Trustee shall, within thirty (30) days after the occurrence of any Event of Default, give to the Noteholders written notice of such default known to it, unless the same shall have been cured before the giving of such notice; provided that, in the case of payment default, as described in "*Payment Default*," the Trustee shall immediately notify the Noteholders upon the occurrence of such payment default. The existence of a written notice required to be given to the Noteholders hereunder shall be published in a newspaper of general circulation in Metro Manila for two (2) consecutive days (at the expense of the Issuer), further indicating in the published notice that the Noteholders or their duly authorized representatives may obtain an important notice regarding the Fixed-Rate Notes at the principal office of the Trustee upon presentment of sufficient and acceptable identification.

16. Consequences of Default

(a) If any one or more of the Events of Default shall have occurred and be continuing, either the Trustee, upon the written instructions of the Majority Noteholders whose written instructions/consents/letters shall be signature verified by the Registrar, in accordance

with its procedures, against their physical or digital signature cards endorsed by the relevant Underwriters or PDEX Trading Participant and by notice in writing delivered to the Issuer, or the Majority Noteholders, by notice in writing delivered to the Issuer and the Trustee, may declare the principal of the Fixed-Rate Notes, including all accrued interest, net of applicable withholding taxes, and other charges thereon, if any, to be immediately due and payable, and upon such declaration the same shall be immediately due and payable, anything contained in the Trust Indenture or in the Fixed-Rate Notes to the contrary notwithstanding. The Registrar shall verify the signature of the Noteholders on the instructions/consents/letters by comparing the same against the duly endorsed physical or digital copies of the signature cards in its possession and determine if the same can be interpreted to belong to the same person, based on industry standard and processes for signature verification. The Issuer is aware of and confirms that the digitalization of the signature cards shall result only in two-dimensional copies thereof and the Registrar shall not be required to verify beyond the features or information captured by such two-dimensional digital copy.

- (b) This provision, however, is subject to the condition that, except in the case of a Writ and Similar Process Default, the Majority Noteholders, by written notice to the Issuer and the Trustee may, during the prescribed curing period, if any, rescind and annul such declaration made by the Trustee pursuant to a consequence of default, and the consequences of such declaration, upon such terms, conditions and agreement, if any, as they may determine; provided that, no such rescission and annulment shall extend to or shall affect any subsequent default or shall impair any right consequent thereon.
- (c) At any time after any Event of Default shall have occurred, the Trustee may:
 - (i) by notice in writing to the Issuer, require the Registrar and Paying Agent to deliver all evidence of the Fixed-Rate Notes and all sums, documents and records held by them in respect of the Fixed-Rate Notes to the Trustee or as the Trustee shall direct in such notice; provided that, such notice shall be deemed not to apply to any document or record which the Registrar and Paying Agent is not obliged to release by any law or regulation; and
 - (ii) by notice in writing to the Issuer, require the Issuer to make all subsequent payments in respect of the Fixed-Rate Notes to the order of the Trustee. From the issue of any such notice until such notice is withdrawn, provision (i) above and the Issuer's positive covenant to pay principal and interest on the Fixed-Rate Notes, more particularly set forth in the Trust Indenture, shall cease to have effect.

In case any amount payable by the Issuer under the Fixed-Rate Notes, whether for principal, interest or otherwise, is not paid on due date, the Issuer shall, without prejudice to its obligations to pay the said principal, interest, and other amounts, pay Penalty Interest on the defaulted amount(s) from the time the amount falls due until it is fully paid.

17. Penalty Interest

In case any amount payable by the Issuer under the Fixed-Rate Notes, whether for principal, interest, or otherwise, is not paid on due date, the Issuer shall, without prejudice to its obligations to pay the said principal, interest, and other amounts, pay penalty interest on the defaulted amount(s) at the rate of twelve percent (12.00%) per annum (the "Penalty Interest") from the time the amount falls due until it is fully paid.

18. Payment in the Event of Default

The Issuer covenants that upon the occurrence of any Event of Default, the Issuer shall pay to the Noteholders, through the Paying Agent, the whole amount which shall then have become due and payable on all such outstanding Fixed-Rate Notes with interest at the rate borne by the Fixed-Rate Notes on the overdue principal, and with Penalty Interest as described above, and in addition thereto, the Issuer shall pay to the Trustee such further amounts as shall be determined by the Trustee to be sufficient to cover the cost and expenses of collection, including reasonable compensation to the Trustee, its agents, attorneys and counsel, and any reasonable expenses or liabilities incurred without negligence or bad faith by the Trustee hereunder.

19. Application of Payments

Any money collected or delivered to the Paying Agent, and any other funds held by it, subject to any other provision of the Trust Indenture and the Registry and Paying Agency Agreement relating to the disposition of such money and funds, shall be applied by the Paying Agent in the order of preference as follows: *first*, to the payment to the Trustee, the Registrar and Paying Agent, of the costs, expenses, fees and other charges of collection, including reasonable compensation to them, their agents, attorneys and counsel, and all reasonable expenses and liabilities incurred or disbursements made by them, without negligence or bad faith; *second*, to the payment of the interest, in default, in the order of the maturity of such interest with Penalty Interest, which payment shall be made pro-rata among the Noteholders; *third*, to the payment of the whole amount then due and unpaid upon the Fixed-Rate Notes for principal, and interest, with Penalty Interest, which payment shall be made pro-rata among the Noteholders; and *fourth*, the remainder, if any shall be paid to the Issuer, its successors or assigns, or to whoever may be lawfully entitled to receive the same, or as a court of competent jurisdiction may direct. For this purpose, the Paying Agent shall deliver to the Trustee a joint certification of the funds to be applied for payment, and a schedule of payments to be made in accordance with the conditions.

20. Prescription

Claims in respect of principal and interest or other sums payable hereunder shall prescribe unless made within ten (10) years (in the case of principal or other sums) or five (5) years (in the case of interest) from the date on which payment becomes due.

21. Remedies

All remedies conferred by the Trust Indenture and these Terms and Conditions to the Trustee and the Noteholders shall be cumulative and not exclusive and shall not be so construed as to deprive the Trustee or the Noteholders of any legal remedy by judicial or extra judicial proceedings appropriate to enforce the conditions and covenants of the Trust Indenture, subject to the discussion below on "*Ability to File Suit.*"

No delay or omission by the Trustee or the Noteholders to exercise any right or power arising from or on account of any default hereunder shall impair any such right or power, or shall be construed to be a waiver of any such default or an acquiescence thereto; and every power and remedy given by the Trust Indenture to the Trustee or the Noteholders may be exercised from time to time and as often as may be necessary or expedient.

22. Ability to File Suit

No Noteholder shall have any right by virtue of or by availing of any provision of the Trust

Indenture to institute any suit, action or proceeding for the collection of any sum due from the Issuer hereunder on account of principal, interest, and other charges, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless (i) such Noteholder previously shall have given to the Trustee written notice of an Event of Default and of the continuance thereof and the related request for the Trustee to convene a meeting of the Noteholders to take up matters related to their rights and interests under the Fixed-Rate Notes; (ii) the Majority Noteholders shall have decided and made the written request upon the Trustee to institute such action, suit or proceeding in the latter's name; (iii) the Trustee, for sixty (60) days after the receipt of such notice and request shall have neglected or refused to institute any such action, suit or proceeding; and (iv) no directions inconsistent with such written request shall have been given under a waiver of default by the Noteholders, it being understood and intended, and being expressly covenanted by every Noteholder with every other Noteholder and the Trustee, that no one or more Noteholders shall have any right in any manner whatever by virtue of or by availing of any provision of the Trust Indenture to affect, disturb or prejudice the rights of the holders of any other such Fixed-Rate Notes or to obtain or seek to obtain priority over or preference to any other such holder or to enforce any right under the Trust Indenture, except in the manner herein provided and for the equal, ratable and common benefit of all the Noteholders.

23. Waiver of Default by the Noteholders

The Majority Noteholders may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred upon the Trustee, or may, on behalf of the Noteholders waive any past default, except the events of default defined as a payment default, breach of representation or warranty default, insolvency default, or closure default, and its consequences. In case of any such waiver, the Issuer, the Trustee and the Noteholders shall be restored to their former positions and rights hereunder; provided however that, no such waiver shall extend to any subsequent or other default or impair any right consequent thereto. Any such waiver by the Majority Noteholders shall be conclusive and binding upon all Noteholders and upon all future holders and owners thereof, irrespective of whether or not any notation of such waiver is made upon the certificate representing the Fixed-Rate Notes.

24. Trustee; Notices

(a) Notice to the Trustee

All documents required to be submitted to the Trustee pursuant to the Trust Indenture and the Information Packet / Information Memorandum and all correspondence addressed to the Trustee shall be delivered to:

To the Trustee:	China Banking Corporation – Trust and Asset Management Group
Attention:	Patrick D. Cheng
Subject:	Ayala Land Fixed-Rate Notes due 2019
Address:	8 th Floor, China Bank Building 8745 Paseo de Roxas Makati City
Facsimile:	+632 867 1077

All documents and correspondence not sent to the above-mentioned address shall be considered as not to have been sent at all.

Any requests for documentation or certification and other similar matters must be communicated by the Noteholder to the Trustee in writing and shall be subject to review, acceptance and approval by the Trustee. Upon such acceptance and approval, the Noteholder shall pay to the

Trustee upfront a fee of ₱1,500.00 (the “Activity Fee”) plus the costs of legal review, courier and the like. The Activity Fee may be adjusted from time to time, at the discretion of the Trustee.

In the absence of any applicable period stated elsewhere in these Conditions, written requests shall be reviewed and, if accepted and approved, addressed by the Trustee within a period of at least ninety (90) days from receipt. This period may be extended should the Trustee be unable to review and address the requests for causes not attributable to the Trustee.

(b) Notice to the Noteholders

The Trustee shall send all Notices to Noteholders to their mailing address as set forth in the Register of Noteholders. Except where a specific mode of notification is provided for herein, notices to Noteholders shall be sufficient when made in writing and transmitted in any one of the following modes: (i) registered mail; (ii) surface mail; (iii) by one-time publication in a newspaper of general circulation in the Philippines; or (iv) personal delivery to the address of record in the Register of Noteholders. The Trustee shall rely on the Register of Noteholders in determining the Noteholders entitled to notice. All notices shall be deemed to have been received (i) ten (10) days from posting if transmitted by registered mail; (ii) fifteen (15) days from mailing, if transmitted by surface mail; (iii) on date of publication or (iv) on date of delivery, for personal delivery.

The publication in a newspaper of general circulation in the Philippines of a press release or news item about a communication or disclosure made by Ayala Land to the Securities and Exchange Commission on a matter relating to the Fixed-Rate Notes shall be deemed a notice to Noteholders of said matter on the date of the first publication.

(c) Binding and Conclusive Nature

Except as provided in the Trust Indenture, all notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained by the Trustee for the purposes of the provisions of the Trust Indenture, shall (in the absence of willful default, bad faith or manifest error) be binding on the Issuer, and all Noteholders and (in the absence as referred to above) no liability to the Issuer, the Paying Agent or the Noteholders shall attach to the Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions under the Trust Indenture.

25. Duties and Responsibilities of the Trustee

- (a) The Trustee is appointed as trustee for and on behalf of the Noteholders and accordingly shall perform such duties and shall have such responsibilities as provided in the Trust Indenture. The Trustee shall, in accordance with the terms and conditions of the Trust Indenture, monitor the compliance or non-compliance by the Issuer with all its representations and warranties, and the observance by the Issuer of all its covenants and performance of all its obligations, under and pursuant to the Trust Indenture. The Trustee shall observe due diligence in the performance of its duties and obligations under the Trust Indenture. For the avoidance of doubt, notwithstanding any actions that the Trustee may take, the Trustee shall remain to be the party responsible to the Noteholders, and to whom the Noteholders shall communicate with in respect to any matters that must be taken up with the Issuer.
- (b) The Trustee shall, prior to the occurrence of an Event of Default or after the curing of all such defaults which may have occurred, perform only such duties as are specifically set forth in the Trust Indenture. The Trustee, in the performance of its duties, shall exercise such rights and powers vested in it by the Trust Indenture, with the care, prudence and

diligence necessary under the circumstances then prevailing that a prudent person, acting in like capacity and familiar with such matters, would exercise in the conduct of an enterprise of like character and with similar aims and use such judgment and care under the circumstances then prevailing that individuals of prudence, discretion and intelligence, and familiar with such matters exercise in the management of their own affairs.

- (c) None of the provisions contained in these Terms and Conditions or this Information Packet / Information Memorandum shall require or be interpreted to require the Trustee to expend or risk its own funds or otherwise incur personal financial liability in the performance of any of its duties or in the exercise of any of its rights or powers.

26. Resignation and Change of Trustee

- (a) The Trustee may at any time resign by giving thirty (30) days' prior written notice to the Issuer and to the Noteholders of such resignation.
- (b) Upon receiving such notice of resignation of the Trustee, the Issuer shall immediately appoint a successor Trustee by written instrument in duplicate, executed by its authorized officers, one copy of which instrument shall be delivered to the resigning Trustee and one copy to the successor Trustee. However, notwithstanding the immediately preceding sentence, in cases where an Event of Default shall have occurred and be continuing, it is the Majority Noteholders, not the Issuer, that shall appoint the successor Trustee. If no successor shall have been so appointed and have accepted appointment within thirty (30) days after the giving of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor, or any Noteholder who has been a bona fide holder for at least six (6) months (the "Bona Fide Noteholder") may, for and in behalf of the Noteholders, petition any such court for the appointment of a successor. Such court may thereupon after notice, if any, as it may deem proper, appoint a successor Trustee.
- (c) Subject to Section (f) below, a successor Trustee must possess all the qualifications required under pertinent laws.
- (d) In case at any time the Trustee shall become incapable of acting, or has acquired conflicting interest, or shall be adjudged as bankrupt or insolvent, or a receiver for the Trustee or of its property shall be appointed, or any public officer shall take charge or control of the Trustee or of its properties or affairs for the purpose of rehabilitation, conservation or liquidation, then the Issuer may within thirty (30) days therefrom remove the Trustee concerned, and appoint a successor Trustee, by written instrument in duplicate, executed by its authorized officers, one copy of which instrument shall be delivered to the Trustee so removed and one copy to the successor Trustee. If the Issuer fails to remove the Trustee concerned and appoint a successor Trustee, any Bona Fide Noteholder may petition any court of competent jurisdiction for the removal of the Trustee concerned and the appointment of a successor Trustee. Such court may thereupon after such notice, if any, as it may deem proper, remove the Trustee and appoint a successor Trustee.
- (e) The Majority Noteholders may at any time remove the Trustee for cause, and appoint a successor Trustee, by the delivery to the Trustee so removed, to the successor Trustee and to the Issuer of the required evidence under the provisions on Evidence Supporting the Action of the Noteholders in the Terms and Conditions of the Fixed-Rate Notes.
- (f) Any resignation or removal of the Trustee and the appointment of a successor Trustee pursuant to any provisions of the Trust Indenture shall become effective upon the earlier

of: (i) acceptance of appointment by the successor Trustee as provided in the Trust Indenture; or (ii) effectivity of the resignation notice sent by the Trustee under the Trust Indenture (the "Resignation Effective Date"); provided however that, until such successor Trustee is qualified and appointed, the resigning Trustee shall continue to discharge its duties and responsibilities solely as custodian of records for turnover to the successor Trustee promptly upon the appointer thereof by the Issuer; provided finally that, such successor Trustee possesses all the qualifications as required by pertinent laws.

27. Successor Trustee

- (a) Any successor Trustee appointed shall execute, acknowledge and deliver to the Issuer and to its predecessor Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the predecessor Trustee shall become effective and such successor Trustee, without further act, deed or conveyance, shall become vested with all the rights, powers, trusts, duties and obligations of its predecessor in the trusteeship with like effect as if originally named as Trustee in the Trust Indenture. The foregoing notwithstanding, on the written request of the Issuer or of the successor Trustee, the Trustee ceasing to act as such shall execute and deliver an instrument transferring to the successor Trustee, all the rights, powers and duties of the Trustee so ceasing to act as such. Upon request of any such successor Trustee, the Issuer shall execute any and all instruments in writing as may be necessary to fully vest in and confer to such successor trustee all such rights, powers and duties.
- (b) Upon acceptance of the appointment by a successor Trustee, the Issuer shall notify the Noteholders in writing of the succession of such trustee to the trusteeship. If the Issuer fails to notify the Noteholders within ten (10) days after the acceptance of appointment by the successor trustee, the latter shall cause the Noteholders to be notified at the expense of the Issuer.

28. Reports to the Noteholders and Inspection of Documents

- (a) The Trustee shall submit to the Noteholders on or before February 28 of each year from the relevant Issue Date until full payment of the Fixed-Rate Notes a brief report dated as of December 31 of the immediately preceding year with respect to:
 - (i) the property and funds, if any, physically in the possession of the Paying Agent held in trust for the Noteholders on the date of such report; and
 - (ii) any action taken by the Trustee in the performance of its duties under the Trust Indenture which it has not previously reported and which in its opinion materially affects the Fixed-Rate Notes, except action in respect of a default, notice of which has been or is to be withheld by it.
- (b) The Trustee shall submit to the Noteholders a brief report within ninety (90) days from the making of any advance for the reimbursement of which it claims or may claim a lien or charge which is prior to that of the Noteholders on the property or funds held or collected by the Paying Agent with respect to the character, amount and the circumstances surrounding the making of such advance; provided that, such advance remaining unpaid amounts to at least ten percent (10.00%) of the aggregate outstanding principal amount of the Fixed-Rate Notes at such time.
- (c) The following pertinent documents may be inspected during regular business hours on any Business Day at the principal office of the Trustee:

- (i) Trust Indenture
- (ii) Registry and Paying Agency Agreement
- (iii) Articles of Incorporation and By-Laws of the Issuer.
- (iv) Opinions of the legal counsel indicated in Section 7.3 of the Trust Indenture with respect to the Issuer and the Fixed-Rate Notes

29. Meetings of the Noteholders

A meeting of the Noteholders may be called at any time for the purpose of taking any actions authorized to be taken by or in behalf of the Noteholders of any specified aggregate principal amount of Fixed-Rate Notes under any other provisions of the Trust Indenture or under the law and such other matters related to the rights and interests of the Noteholders under the Fixed-Rate Notes.

(a) Notice of Meetings

The Trustee may at any time call a meeting of the Noteholders, or the holders of at least twenty-five percent (25.00%) of the aggregate outstanding principal amount of Fixed-Rate Notes may direct in writing the Trustee to call a meeting of the Noteholders, to take up any allowed action, to be held at such time and at such place as the Trustee shall determine. Notice of every meeting of the Noteholders, setting forth the time and the place of such meeting and the purpose of such meeting in reasonable detail, shall be sent by the Trustee to the Issuer and to each of the registered Noteholders not earlier than forty-five (45) days nor later than fifteen (15) days prior to the date fixed for the meeting. All reasonable costs and expenses incurred by the Trustee for the proper dissemination of the requested meeting shall be reimbursed by the Issuer within ten (10) days from receipt of the duly supported billing statement.

(b) Failure of the Trustee to Call a Meeting

In case at any time, the Issuer, pursuant to a resolution of its board of directors or executive committee, or the holders of at least twenty-five percent (25.00%) of the aggregate outstanding principal amount of the Fixed-Rate Notes shall have requested the Trustee to call a meeting of the Noteholders by written request setting forth in reasonable detail the purpose of the meeting, and the Trustee shall not have mailed and published, in accordance with the notice requirements, the notice of such meeting, then the Issuer or the Noteholders in the amount above specified may determine the time and place for such meeting and may call such meeting by mailing and publishing notice thereof.

(c) Quorum

The Trustee shall determine and record the presence of the Majority Noteholders, personally or by proxy. The presence of the Majority Noteholders, personally or by proxy, shall be necessary to constitute a quorum to do business at any meeting of the Noteholders.

(d) Procedure for Meetings

- (i) The Trustee shall preside at all the meetings of the Noteholders, unless the meeting shall have been called by the Issuer or by the Noteholders, in which case the Issuer or the Noteholders calling the meeting, as the case may be, shall in like manner move for the election of the chairman and secretary of the meeting.
- (ii) Any meeting of the Noteholders duly called may be adjourned for a period or

periods not to exceed in the aggregate of one (1) year from the date for which the meeting shall originally have been called and the meeting as so adjourned may be held without further notice. Any such adjournment may be ordered by persons representing a majority of the aggregate principal amount of the Fixed-Rate Notes represented at the meeting and entitled to vote, whether or not a quorum shall be present at the meeting.

(e) Voting Rights

To be entitled to vote at any meeting of the Noteholders, a person shall be a registered holder of one or more Fixed-Rate Notes or a person appointed by an instrument in writing as proxy by any such holder as of the date of the said meeting. Noteholders shall be entitled to one (1) vote for every Ten Thousand Pesos (₱10,000.00) interest. The only persons who shall be entitled to be present or to speak at any meeting of the Noteholders shall be the persons entitled to vote at such meeting and any representatives of the Issuer and its legal counsel, though they will not be permitted to vote.

(f) Voting Requirement

Except as provided in Condition 30 (Amendments), all matters presented for resolution by the Noteholders in a meeting duly called for the purpose shall be decided or approved by the affirmative vote of the Majority Noteholders present or represented in a meeting at which there is a quorum except as otherwise provided in the Trust Indenture. Any resolution of the Noteholders which has been duly approved with the required number of votes of the Noteholders as herein provided shall be binding upon all the Noteholders and the Issuer as if the votes were unanimous.

(g) Role of the Trustee in Meetings of the Noteholders

Notwithstanding any other provisions of the Trust Indenture, the Trustee may make such reasonable regulations as it may deem advisable for any meeting of the Noteholders, in regard to proof of ownership of the Fixed-Rate Notes, the appointment of proxies by registered holders of the Fixed-Rate Notes, the election of the chairman and the secretary, the appointment and duties of inspectors of votes, the submission and examination of proxies, certificates and other evidences of the right to vote and such other matters concerning the conduct of the meeting as it shall deem fit.

30. Evidence Supporting the Action of the Noteholders

Wherever in the Trust Indenture it is provided that the holders of a specified percentage of the aggregate outstanding principal amount of the Fixed-Rate Notes may take any action (including the making of any demand or requests and the giving of any notice or consent or the taking of any other action), the fact that at the time of taking any such action the holders of such specified percentage have joined therein may be evidenced by: (i) any instrument executed by the Noteholders in person or by the agent or proxy appointed in writing, or (ii) the duly authenticated record of voting in favor thereof at the meeting of the Noteholders duly called and held in accordance herewith, or (iii) a combination of such instrument and any such record of meeting of the Noteholders.

31. Non-Reliance

Each Noteholder also represents and warrants to the Trustee that it has independently and, without reliance on the Trustee, made its own credit investigation and appraisal of the financial condition and affairs of the Issuer on the basis of such documents and information as it has deemed appropriate and that it has subscribed to the Issue on the basis of such independent

appraisal, and each Noteholder represents and warrants that it shall continue to make its own credit appraisal without reliance on the Trustee. The Noteholders agree to indemnify and hold the Trustee harmless from and against any and all liabilities, damages, penalties, judgments, suits, expenses and other costs of any kind or nature against the Trustee in respect of its obligations hereunder, except for its gross negligence or wilful misconduct.

32. Amendments

The Issuer and the Trustee may amend or waive any provisions of the Note Agreements if such amendment or waiver is of a formal, minor, or technical nature or to correct a manifest error or inconsistency, without prior notice to or the consent of the Noteholders or other parties, provided in all cases that such amendment or waiver does not adversely affect the interests of the Noteholders and provided further that all Noteholders are notified of such amendment or waiver.

The Issuer and the Trustee may amend the Terms and Conditions of the Fixed-Rate Notes with notice to every Noteholder following the written consent of the Majority Noteholders (including consents obtained in connection with a tender offer or exchange offer for the Fixed-Rate Notes) or a vote of the Majority Noteholders at a meeting called for the purpose. However, without the consent of each Noteholder affected thereby, an amendment may not:

- (a) reduce the percentage of principal amount of Fixed-Rate Notes outstanding that must consent to an amendment or waiver;
- (b) reduce the rate of or extend the time for payment of interest on the Fixed-Rate Notes;
- (c) reduce the principal of or extend the Maturity Date of the Fixed-Rate Notes;
- (d) impair the right of any Noteholder to receive payment of principal of and interest on such Noteholder's Fixed-Rate Notes on or after the due dates therefore or to institute suit for the enforcement of any payment on or with respect to such Noteholders;
- (e) reduce the amount payable upon the redemption or repurchase of the Fixed-Rate Notes under the Terms and Conditions or change the time at which the Fixed-Rate Notes may be redeemed;
- (f) make the Fixed-Rate Notes payable in money other than that stated in the Fixed-Rate Notes;
- (g) subordinate the Fixed-Rate Notes to any other obligation of Ayala Land;
- (h) release any security interest that may have been granted in favor of the Noteholders;
- (i) amend or modify the Payment of Additional Amounts, Taxation, the Events of Default of the Terms and Conditions or the Waiver of Default by the Noteholders; or
- (j) make any change or waiver of this Condition.

It shall not be necessary for the consent of the Noteholders under this Condition to approve the particular form of any proposed amendment, but it shall be sufficient if such consent approves the substance thereof. After an amendment under this Condition becomes effective, the Issuer shall send a notice briefly describing such amendment to the Noteholders in the manner provided in the paragraph entitled "Notice to the Noteholders."

33. Governing Law

The Note Agreements are governed by and are construed in accordance with Philippine law.

34. Venue

Any suit, action, or proceeding against the Issuer with respect to the Fixed-Rate Notes or the Note Agreements or on any judgment entered by any court in respect thereof may be brought in any competent court in the City of Makati, and the parties submit to the exclusive jurisdiction of such courts for the purpose of any such suit, action, proceeding or judgment, the Issuer and Noteholders expressly waiving other venue.

35. Waiver of Preference

The obligation created under the Note Agreements and the Fixed-Rate Notes shall not enjoy any priority of preference or special privileges whatsoever over any indebtedness or obligations of the Issuer. Accordingly, whatever priorities or preferences that this instrument may have or any person deriving a right hereunder may have under Article 2244, paragraph 14 of the Civil Code of the Philippines are hereby absolutely and unconditionally waived and renounced. This waiver and renunciation of the priority or preference under Article 2244, paragraph 14 of the Civil Code of the Philippines shall be revoked if it be shown that an indebtedness of the Issuer for borrowed money has a priority or preference under the said provision.

36. Certain Defined Terms

The following sets forth the respective definitions of certain terms used in this Terms and Conditions of the Fixed-Rate Notes. Except as otherwise provided and where context indicates otherwise, defined terms in this Terms and Conditions of the Fixed-Rate Notes have the meanings ascribed to them in the Trust Indenture.

- (a) **Affiliate** means any corporation, directly or indirectly controlled by the Issuer, whether by way of ownership of at least twenty percent (20.00%) of the total issued and outstanding capital stock of such corporation, or the right to elect at least twenty percent (20%) of the number of directors in such corporation, or the right to control the operation and management of such corporation by reason of contract or authority granted by said corporation to the Issuer.
- (b) **Bankruptcy** means, with respect to a Person, (a) that such Person has (i) made an assignment for the benefit of creditors; (ii) filed a voluntary petition in bankruptcy; (iii) been adjudged bankrupt, or insolvent; or had entered against such Person an order of relief in any bankruptcy or insolvency proceeding; (iv) filed a petition or an answer seeking for such Person any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or regulation or filed an answer or other pleading admitting or failing to contest the material allegations of a petition filed against such Person in any proceeding of such nature; or (v) sought, consented to, or acquiesced in the appointment of a trustee, receiver or liquidator of such Person or of all or any substantial part of such Person's properties; (b) sixty (60) days have elapsed after the commencement of any proceeding against such Person seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or regulation and such proceeding has not been dismissed; or (c) sixty (60) days have elapsed since the appointment without such Person's consent or acquiescence of a trustee, receiver or liquidator of such Person or of all or any substantial part of such Person's properties and such appointment has not been vacated

or stayed or the appointment is not vacated within sixty (60) days after the expiration of such stay.

- (c) **Current Liabilities** means the aggregate (as of the relevant date of calculation) of all liabilities of the Issuer falling due on demand or within one (1) year, including that portion of Long Term Debt which falls due within one (1) year (but excluding the current portion of any provision for estimated liability for land and property development) and such other liabilities as would be determined as such under the Philippine Financial Reporting Standards.
- (d) **Lien** means any mortgage, pledge, lien or encumbrance constituted on any of the Issuer's properties, for the purpose of securing its or its Affiliates' obligation.
- (e) **Long Term Debt** means the aggregate (as of the relevant date of calculation) of all those component parts of the liabilities of the Issuer which fall due or whose final payment is due on a date more than one (1) year after the relevant date for calculation, exclusive of reserve for land development and deferred credits, i.e., unearned income and/or unrealized gains.
- (f) **Majority Noteholders** means the holders of more than fifty percent (50%) in principal amount, of the Fixed-Rate Notes then outstanding.
- (g) **Total Liabilities** means the aggregate (as of the relevant date for calculation) of Current Liabilities and Long Term Debt.
- (h) **Total Stockholders' Equity** means the aggregate (as of the relevant date for calculation) of the par value of the outstanding common stock, preferred stock, capital surplus, retained earnings appraisal surplus arising from past appraisal and any further appraisal surplus arising from subsequent independent certified appraisal of the property, plant and equipment of the Issuer effected in compliance with the Philippine Financial Reporting Standards, and any reserve for expansion projects, less any intangible assets such as, but not limited to, goodwill, trademarks, patents, copyrights, leaseholds, and treasury stocks.

FINANCIAL INFORMATION

The following pages set forth Ayala Land's audited consolidated financial statements for the period ended December 31, 2016, 2015 and 2014 and unaudited consolidated financial statement for the period ended September 30, 2017.