

**Trading & Settlement Operating Guidelines
AYALA LAND, INC.
Fixed Rate Bonds Due 2028**

1. Coverage

- 1.1. These Trading and Settlement Operating Guidelines shall apply to trades of **AYALA LAND, INC. (ALI or the “Issuer”) Fixed Rate Bonds Due 2028** (or the “**Bonds**”) upon their listing on the Philippine Dealing & Exchange Corp. (PDEX).
- 1.2. A PDEX Trading Participant that trades on the Bonds shall be bound by these Trading and Settlement Operating Guidelines for the Bonds (Guidelines), the Trading Conventions for Fixed Income Securities in the Public Market (PDEX Trading Conventions), and the PDEX Rules for the Fixed Income Securities Market, as Amended (PDEX Rules), and the Trading & Settlement Guidelines for Holders Subject to 25% or 30% Final Withholding Tax for Listed Corporate Securities.

2. Pricing Convention. Quotations for the Bonds shall be expressed in terms of Clean Price (i.e., price without accrued interest), exclusive of any applicable withholding tax.

- 2.1. These Bonds carry an option for the Issuer, ALI, to redeem the Bonds on the 5th anniversary date of the issuance, 27 April 2023.
- 2.2. Because the Interest Rates beyond 27 April 2023 are unknown, the convention for the Bonds shall be on a “Yield to Call” basis. To this end, the Bonds shall be set up in the Trading System using the Call Date of 27 April 2023 as the Maturity Date of the Bonds.
- 2.3. In the event that ALI opts instead to reprice the bonds on 27 April 2023, the details of all four (4) series names of the Bonds as set up in the Trading System shall be amended to reflect the updated Maturity Date of 27 April 2028 and the Repriced Interest Rate.

3. Day Count Standard. The day count standard shall be 30E/360 ISMA non end of month.

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

- 4.1. **Tax-Withheld Series Name - “ALI 28 R23.”** On this series name, the settlement value of a done trade shall be computed on a tax-withheld basis, based on a withholding tax rate of 20%.
- 4.2. **No Withholding Tax (NWT) Series Name - “ALI 28 R23-NWT.”** This series name with suffix “NWT” indicates that the settlement value of a done trade shall be computed on a no withholding tax basis.

43. **25% Tax-Withheld Series Name** - “ALI 28 R23-T25.” This series name with suffix “T25” indicates that the settlement value of a done trade shall be computed on a tax-withheld basis, based on a final withholding tax rate of 25%.
44. **30% Tax-Withheld Series Name** - “ALI 28 R23-T30.” This series name with suffix “T30” indicates that the settlement value of a done shall be computed on a tax-withheld basis, based on a final withholding tax rate of 30%.
45. The main series name provides a description of the following information regarding the Bonds:
 451. Issuer Symbol - **ALI**
 452. Maturity Year - 28 (i.e., 2028)
 453. First Optional Redemption Year - **R23** (i.e., 2023)

5. Trading Mechanics

51. **Tax-Withheld Series Name**
 - 51.1. Orders for the account of tax-withheld investors and Dealing Participants trading for their own proprietary position shall be dealt using the tax-withheld series name.
 - 51.2. Market Making Participants (Market Makers) shall post prices using the tax-withheld series name.
52. **No Withholding Tax Series Name.** Orders for the account of investors not subject to withholding tax shall be dealt using the no-withholding tax series name.
53. **25% Tax-Withheld Series Name.** Orders for the account of investors subject to withholding tax rate of 25% shall use the 25% tax-withheld series name.
54. **30% Tax-Withheld Series Name.** Orders for the account of investors subject to withholding tax rate of 30% shall use the 30% tax-withheld series name.

6. Mechanics as to the Exercise of the Call or Repricing of the Bonds.

In reference to the exercise of the Call Option or Repricing of the Bonds, the Issuer shall duly notify PDEX of its decision in writing at least one month prior to 27 April 2023.

61. Should the Issuer exercise its Call Option (i.e. Early Redemption Option), the Bonds shall be delisted from the Trading System, in accordance with the regular delisting process of bonds, (i.e. two [2] days before its Call Date, or on 25 April 2023).
62. If the Issuer elects to reprice the Bonds, such Repricing will occur at the end of the Interest Rate Repricing Date.
 - 6.2.1. The Issuer shall advise PDEX of the Repriced Interest Rate on or before close of business (COB) of the said date.
 - 6.2.2. A Trading and Settlement Break will be implemented to reflect the adjustment of the new Interest Rate to the higher of (a) the Initial Interest Rate; or (b) the Interest Rate Repricing Benchmark Rate plus 75 bps, and the adjustment of the Maturity Date to 27 April 2028.
 - 6.2.3. The Trading and Settlement Break will be effected from the start of the Closed Period up to the end of the Interest Rate Repricing Date (i.e. 25

April 2023 to 27 April 2023) to prevent the trading and transfers of the Bonds until the repricing process is completed.

6.2.4. For clarity, especially in the event that 27 April 2023 falls on a non-business day, the Trading and Settlement of the Bonds will resume on the next business day after the Repricing of the Bonds.

7. A Trading Participant shall determine the eligibility and suitability of each buyer, and ensure that the buyer fully understands the terms and conditions of, and the risks involved in investing in the Bonds, including the option feature of the Bonds.
8. **Record Date for the Bonds.** The Record Date for the Bonds due is the second (2nd) business day prior to the relevant Interest Payment Date.
9. **Settlement Policy for Corporate Security Transactions.** All corporate security transactions executed on the PDEX Trading System shall be settled through the PDS Clear System (formerly eDVP System) in accordance with the PDEX Rules.
10. **Restrictions on Transfers across Tax Status.** For purposes hereof, “Tax Categories” refer to the four (4) final withholding tax categories covering, particularly, tax-exempt entities, 20% tax-withheld entities, 25% tax-withheld entities, and 30% tax-withheld entities.
 - 10.1. In accordance with the Terms and Conditions of the Bonds, Transfers across Tax Categories shall not be allowed except on Interest Payment Dates that fall on a business day, provided however that transfers from Tax-Exempt Category to a Taxable Tax Category on a non-Interest Payment Date shall be allowed using the applicable tax-withheld series name, 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 of its taxable counterpart for the interest period within which such transfer occurred.
 - 10.2. For transfers across Tax Categories occurring on Interest Payment Date, PDEX Trading Participants shall execute trades using the Tax-Withheld Series Name, where computations are based on a final withholding tax rate of 20%.
 - 10.3. This restriction shall be in force until a Non-Restricted Trading & Settlement Environment for Corporate Securities is implemented.
 - 10.4. A Bondholder claiming tax-exempt status is required to submit to the Registry of Bondholders the required tax-exempt documents as detailed in the Registry and Paying Agency Agreement upon submission of the account opening documents to the Registrar. Transfers taking place in the Electronic Registry of Bondholders after the Bonds are listed on PDEX shall be allowed between taxable and tax-exempt entities without restriction and observing the tax exemption of tax exempt entities, if and/or when so allowed under and in accordance with the relevant rules, conventions and guidelines of PDEX and PDTC.