Trading & Settlement Operating Guidelines
AYALA LAND, INC.
ALI ASEAN Sustainability-Linked Bonds 2 Due 2034

1. Coverage

1.1. These Trading and Settlement Operating Guidelines ("Guidelines") shall apply to trades of the **Ayala Land, Inc.** ("ALI" or the "Issuer") **ASEAN Sustainability-Linked Bonds 2 Due 2034** (the "Bonds") upon its listing on the Philippine Dealing & Exchange Corp. (PDEx) on 13 November 2024.

1.2. A PDEx Trading Participant that trades on the Bonds shall be bound by these Guidelines, the Trading Conventions for Fixed Income Securities in the Public Market (PDEx Trading Conventions), the PDEx Rules for the Fixed Income Securities Market, as amended (PDEx Rules), and the Trading and Settlement Guidelines for Holders Subject to 25% or 30% Final Withholding Tax for Listed Corporate Securities.

2. Pricing Convention. Quotations for the Bonds may be expressed in terms of Gross Yield to Maturity (YTM) or Clean Price (i.e., price without accrued interest), exclusive of any applicable withholding tax. The Trading System shall calculate a Clean Price from the inputted Yield to Maturity quotation.

2.1 **Interest Rate.** The Sustainability-Linked Bonds shall bear interest on its principal amount from and including the Issue Date at the Applicable Interest Rate, adjusted as and when necessary, pursuant to the conditions set forth below.

2.2 **Interest Rate Step-Up.** From and including the first day of the Interest Period immediately following the Interest Period within which a Target Measurement Date falls (each an "**Interest Step-Up Date**"), the Applicable Interest Rate shall be equal to the Original Interest Rate plus 0.05% for each occurrence of a Trigger Event.

If the relevant External Verification Provider determines in its verification assurance report that both Sustainability Performance Targets are met on the relevant Target Observation Dates, then the Applicable Interest Rate shall remain equal to the Original Interest Rate.

Mechanics for the Step-Up

a. Upon the occurrence of a Trigger Event, the Issuer shall notify PDS Group (i.e. PDS Disclosure) in writing of the enforcement of the Step-Up Interest Rate **("Step-Up Notice")** no later than**5:20pm [3] Business Day** prior to the effectivity of the new Applicable Interest Rate.

b. The Step-Up Notice shall:
i. indicate the new Applicable Interest Rate;
ii. include a statement that the necessary regulatory disclosures have been made in relation to the effectivity of such new Applicable Interest Rate; and
iii. a certification from the External Verification Provider stating that the relevant Sustainability Performance Target **was not achieved** as of the applicable Target Observation Date.

c. If the Issuer has achieved its SPTs as certified by the External Verification Provider and no Trigger Event has occurred, the original Interest Rate shall apply.

2.3 **Target Measurement Date.** Shall be (i) the date Ayala Land holds its Annual Stockholders' Meeting for the year 2031 but in no case to be after April 30, 2031 for KPI 1 and (ii) on March 31, 2026 for KPI 2 (collectively, the "**Target Measurement Dates**").

2.4 **Trigger Events.** There is a Trigger Event when an SPT was not met on the applicable Target Observation Date as determined in the verification assurance report of the relevant External Verification Provider.

2.5 **Material Dates.**
SPT 2: December 31, 2025
1. **Effectivity of New Interest Rate (if applicable):** 8th Interest Period, or August 13, 2026

SPT 1: Dec 31, 2030
1. **Effectivity of New Interest Rate (if applicable):** The Interest Period immediately succeeding the Interest Period in which Ayala Land holds its Annual Stockholders' Meeting for the year 2031, but in no case be after April 30, 2031, in which case the Effectivity of the New Interest Rate will be on the 26th Interest Period or February 13, 2031.

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

4. **Local ID in the Trading System.** There shall be one (1) local ID for the Bonds in the corporate bonds market tab of the Trading System, namely:

4.1. ALI ASEAN Sustainability-Linked Bonds Due 2034 – "**ALI 11-34 R31**"

The local ID provides a description of the following information regarding the Bonds:
- Issuer Symbol – **ALI**
- Maturity Month – **11** (i.e. November)
- Maturity Year – **34** (i.e., 2034)
- First Optional Redemption Year – **R31** (i.e., 2031)

5. **Trading Mechanics**

   5.1. **20% Tax Rate.** Orders for the account of tax-withheld investors and Dealing Participants trading for their own proprietary position shall input the 20% tax rate in the trade input (VTR) ticket tax field.

   5.2. **No Withholding Tax**. Orders for the account of investors not subject to withholding tax shall have 0% tax rate in the trade input (VTR) ticket tax field.

   5.3. **25% Tax Rate.** Orders for the account of investors subject to withholding tax rate of 25% shall have 25% tax rate in the trade input (VTR) ticket tax field.

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

7. **Record Date for the Bonds.** The Record Date for the Bonds due is the <u>second (2nd) business day prior to the relevant Interest Payment Date</u>.

8. **Settlement Policy for Corporate Security Transactions.** All corporate security transactions executed on the PDEx Trading System shall be settled through the PDSClear System (formerly eDvP System) in accordance with the PDEx Rules.

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

   9.1. 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 rate, 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.

   9.2. For transfers across Tax Categories occurring on Interest Payment Date, PDEx Trading Participants shall execute trades using 20% tax rate, where computations are based on a final withholding tax rate.

   9.3. This restriction shall be in force until a Non-Restricted Trading & Settlement Environment for Corporate Securities is implemented.

   9.4. 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.