

**Trading & Settlement Operating Guidelines
Ayala Land Inc.
Fixed Rate Callable Bonds Due 2019
Fixed Rate Callable Bonds Due 2022**

1. Coverage

1.1. These Trading and Settlement Operating Guidelines shall apply to trades on the following securities (“Bonds”) of **Ayala Land Inc. (ALI or the “Issuer”)** upon their listing on the Philippine Dealing & Exchange Corp. (PDEX):

1.1.1. **ALI Fixed Rate Callable Bonds Due 2019 (“ALI Bonds due 2019” or “ALI Seven-Year Bonds”); and**

1.1.2. **ALI Fixed Rate Callable Bonds Due 2022 (“ALI Bonds due 2022” or “ALI Ten-Year Bonds”).**

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).

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. The Trading System shall calculate an implied Yield to Maturity.

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

4. Series Names in Trading System. There shall be two (2) series names for the Bonds in the corporate securities board of the Trading System. The two (2) series names for the Bonds are being made available solely for settlement value computation purposes, and should not be construed as two (2) separate tranches or series nor as separate securities.

4.1. Tax-Withheld Series Name - the settlement value of a done trade on this series name shall be computed on a tax-withheld basis, based on a withholding tax rate of 20%.

4.1.1. ALI Bonds due 2019 - “ALI 19 R17”

4.1.2. ALI Bonds due 2022 - “ALI 22 R19”

4.2. No Withholding Tax (NWT) Series Name - suffix “NWT” indicates that the settlement value of a done trade on this series name shall be computed on a no tax-withheld basis.

4.2.1. ALI Bonds due 2019- “ALI 19 R17-NWT”

4.2.2. ALI Bonds due 2022 - “ALI 22 R19-NWT”



43. The main series name provides a description of the following information regarding the Bonds:
 - 43.1. Issuer Symbol - **ALI**
 - 43.2. Maturity Year - **19** (i.e., 2019) and **22** (i.e., 2022)
 - 43.3. Call Option Year - **R17** (i.e., 2017) and **R19** (i.e., 2019)
5. **Trading Mechanics**
 - 5.1. **Tax-Withheld Series Name**
 - 5.1.1. 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.
 - 5.1.2. Market Making Participants (Market Makers) shall post prices using the tax-withheld series name.
 - 5.2. **No Withholding Tax Series Name.** Orders for the account of investors not subject to withholding tax shall be dealt using the no-withholding tax series name.
6. **Responsibilities of Trading Participants with Respect to the Bonds**
 - 6.1. 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 call option feature of the Bonds.
7. **Record Date for the Bonds**
 - 7.1. The Record Date for the Bonds is the second (2nd) business day prior to the relevant Interest Payment Date.
8. **Settlement Policy for Corporate Security Transactions.**

All corporate security transactions executed on the PDEX Trading System shall be settled through the Expanded Delivery-versus-Payment (eDvP) System in accordance with the PDEX Rules.
9. **Restrictions on Transfers across Tax Status**

In accordance with provisions in the Prospectus for the Bonds, bondholders may transfer their Bonds at any time to persons of similar tax status (i.e., tax-exempt to tax-exempt, taxable to taxable); otherwise, such Bondholder may sell only on an Interest Payment Date. Transfers taking place in the Register of Bondholders after the Bonds are listed on PDEX shall be allowed between tax-exempt and non-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.