

PDEX Trading & Settlement Operating Guidelines
Ayala Land Inc. Fixed Rate Bonds due 2013

1. **Coverage**
 - 1.1. These Trading and Settlement Guidelines (Guidelines) shall apply to trades on **Ayala Land Inc. Fixed Rate Bonds due 2013** (“ALI Bonds” or “Bonds”) upon its listing on PDEX.
 - 1.2. A PDEX Trading Participant that trades on the Bonds shall be deemed to be bound by these Trading and Settlement Operating Guidelines for the Bonds (Guidelines) as well as the Trading Conventions for Fixed Income Securities in the Public Market (PDEX Trading Conventions) and the PDEX Rules.

2. **Trading Lot Conventions: Minimum Trading Size**
 - 2.1. **Prior to August 29:** PhP 250,000
 - 2.2. **Effective August 29:** PhP 10,000

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 of the Bonds in the corporate securities board of the Trading System. The two (2) series names are being made available solely for settlement value computation purposes, and should not be construed as two (2) separate tranches or series of the ALI Bonds nor as two (2) separate securities.
 - 4.1. **“ALI 08-13”** - 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%.
 - 4.2. **“ALI 08-13-NWT”**- suffix “NWT” indicates that the settlement value of a done trade on this series name shall be computed on a no tax-withheld basis.
 - 4.3. The main series name **“ALI 08-13”** provides a description of the following information regarding the security:
 - 4.3.1. **ALI** - Issuer Symbol
 - 4.3.2. **8** - Maturity Month (i.e., August)
 - 4.3.3. **13** - Maturity Year (i.e., 2013)

5. **Trading Mechanics**
 - 5.1. Orders for the account of tax-withheld investors and Dealing Participants, including Market Making Participants, trading for their own proprietary position shall be dealt using the **“ALI 08-13”** series name.

52. Orders for the account of tax-exempt investors shall be dealt using the “**ALI 08-13-NWT**” series name.
6. **Trading Break during Record Period.**
61. In accordance with PDEX Trading Conventions, there shall be a trading break during the Record Period for the Bonds.
62. For clarity, the ALI Bonds Record Period shall be the period from and including the Record Date, which is the **3rd business day** preceding the relevant Interest Payment Date, to and including one business day prior to the Interest Payment Date.
7. **Settlement Mechanics**
71. Every trade executed on the Trading System shall be electronically transmitted to the eDvP System for settlement authorization. Each authorized trade shall be settled in accordance with the general process for Expanded Delivery-versus-Payment (eDvP) in the PDEX Rules, with binding instructions electronically transmitted to the following settlement entities:
- 71.1. PDTC for the delivery of the securities
- 71.2. BSP PhilPaSS or the Cash Settlement Banks, as applicable, for the cash payment
72. Regardless of the series name dealt in the Trading System, a trade shall be identified by the instrument name “**ALI 08-13**” and the registry security identification number (Registry SIN) “**ALIFXBND2013**” in the eDvP System.
- 72.1. In the “Unauthorized Trades” and “Authorized Trades” screens, the trade shall be identified by the instrument name “**ALI 08-13**”.
- 72.2. In the eDvP settlement reports, the trade shall be identified by the Registry SIN “**ALIFXBND2013**”.
73. Regardless of the series name dealt in the Trading System, the ALI Bonds shall be identified by the Registry SIN “**ALIFXBND2013**” in the PDTC eCS Depository System.
8. **Settlement of Trades during first Interest Payment Period**
81. A Brokering Participant shall inform its client of the following mechanics for the settlement of trades during the first Interest Payment Period.
82. In accordance with the terms of the ALI Bonds, “the interest payable on the first Interest Payment Date shall be calculated for a period of **91 days** on the basis of a 360-day year.” (*page 33 of the ALI Bonds Prospectus*)
83. Following the 30E/360 ISMA daycount standard, settlement values calculated by the Trading System shall be based on a **90-day** interest payment period.

Thus, settlement values calculated for trades for value before the first Interest Payment Date shall exclude the excess one (1) day accrued interest.

- 8.4.** Trades executed for value before the first Interest Payment Date shall be settled via the eDvP System up to the amount computed by the PDEX Trading System. Trading Participants shall separately calculate the settlement values for such trades based on a 91-day first interest payment period using the bond calculator provided by the Issuer. The difference in the settlement amount arising from the additional one (1) day in the first interest payment period shall be effected by mutual agreement between the respective counterparties outside the PDEX infrastructure.