

PDEX Trading & Settlement Operating Guidelines
Globe Telecom, Inc. (GLO) Fixed Rate Bonds Due 2012
Globe Telecom, Inc. (GLO) Fixed Rate Bonds Due 2014

1. Coverage

1.1. These Trading and Settlement Guidelines (Guidelines) shall apply to trades on the following securities (“Bonds”) of **Globe Telecom, Inc. (“GLO”** or the “Issuer”) upon their listing in PDEX:

1.1.1. **GLO Three Year Fixed Rate Bonds Due 2012**(“GLO 3-Year Bonds due 2012” or the “3-Year Bonds”)

1.1.2. **GLO Five Year Fixed Rate Bonds Due 2014** (“GLO 5-Year Bonds due 2014” or the “5-Year Bonds”)

1.2. Effective Listing Dates

1.2.1. GLO 3-Year Bonds due 2012 - 10 June 2009

1.2.2. GLO 5-Year Bonds due 2014 - 10 June 2009

1.3. 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), the Trading Conventions for Fixed Income Securities in the Public Market (PDEX Trading Conventions), and the 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.

2.1.1. Three Year Bonds - The Bonds shall be priced based on the Maturity Date. The Trading System may calculate an implied Yield to Maturity.

2.1.2. Five Year Bonds - The Bonds shall be priced based on the Optional Redemption Date, which is on the twelfth Interest Payment Date in 2012 (refer to page 20 of GLO Bonds Supplement to the Prospectus for provision on Optional Redemption in respect of the Five Year Bonds”. The Trading System may calculate an implied Yield to Call.

3. Trading Lot Convention: Minimum Trading Size - PhP 10,000.

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

5. Series Names in Trading System. There shall be two (2) series names for each of the Bonds in the corporate securities board of the Trading System. The two (2) series names for each of 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.

5.1. Tax-Withheld Series Names - 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%.

- 5.1.1. GLO 3-Year Bonds due 2012 - “GLO 02-12”
 - 5.1.2. GLO 5-Year Bonds due 2014 - “GLO 14 R12”
 - 5.2. No Withholding Tax (NWT) Series Names - suffix “NWT” indicates that the settlement value of a done trade on this series name shall be computed on a no tax-withheld basis.
 - 5.2.1. GLO 3-Year Bonds due 2012 - “GLO 02-12-NWT”
 - 5.2.2. GLO 5-Year Bonds due 2014 - “GLO 14 R12-NWT”
 - 5.3. The main series name “GLO 02-12” and “GLO 14 R12” provides a description of the following information regarding the security:
 - 5.3.1. Issuer Symbol - GLO
 - 5.3.2. Maturity Month - 02 (i.e., February)
 - 5.3.3. Maturity Year - 12 (i.e., 2012) and 14 (i.e., 2014), respectively
 - 5.3.4. Optional Redemption Year - R12 (i.e., 2012)
- 6. **Trading Mechanics**
 - 6.1. **Tax-Withheld Series Name**
 - 6.1.1. 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.
 - 6.1.2. Market Making Participants (Market Makers) shall post prices using the tax-withheld series name.
 - 6.2. **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.
- 7. **Responsibilities of Trading Participants with Respect to the Bonds**
 - 7.1. A Trading Participant shall determine the suitability of each buyer and ensure that he fully understands the risks involved in investing in the Bonds.
 - 7.2. A Trading Participant shall inform its client of the optional redemption feature of the 5-Year Bonds prior to entering the client’s order in the Trading System.
- 8. **Trading Break during Record Period.**
 - 8.1. In accordance with PDEX Trading Conventions, there shall be a trading break during the Record Period for the Bonds.
 - 8.2. For clarity, the Record Period shall be the period from and including the Record Date to and including one business day prior to the Interest Payment Date. The Record Date for the Bonds is the third (3rd) banking day preceding the relevant Interest Payment Date.

9. **Restrictions on Transfers.** In accordance with the Terms and Conditions of the Bonds (p. 18 of the GLO Bonds Supplement to the Prospectus), Bondholders may transfer Bonds anytime, regardless of tax status of the transferor vis-à-vis the transferee.
- 9.1. Should a transfer between Bondholders of different tax status occur on a day which is not an Interest Payment Date, tax-exempt entities trading with non tax-exempt entities shall be treated as non tax-exempt entities for the interest period within which such transfer occurred.

10. **Settlement Mechanics**

- 10.1. 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:
- 10.1.1. PDTC Depository or PDTC Registry, as applicable for the delivery and receipt of the securities. Use of a PDTC Name-on-Registry account as eDvP securities settlement account is subject to pre-enrolment by the sponsoring Trading Participant in the eDvP System prior to execution of the trade in Trading System.
- 10.1.2. BSP PhilPaSS or the Cash Settlement Banks, as applicable, for the cash payment
- 10.2. Regardless of the series name dealt in the Trading System, a trade shall be identified by the following instrument names and corresponding Security Identification Number (SIN) in the eDvP System.

	Instrument Name	Security Identification No.
GLO Bonds due 2012	“GLO 02-12”	“GLOFXBND2012”
GLO Bonds due 2014	“GLO 14 R12”	“GLOFXBND2014”

- 10.2.1. In the “Unauthorized Trades” and “Authorized Trades” screens, the trade shall be identified by the instrument name.
- 10.2.2. In the eDvP settlement reports, the trade shall be identified by the SIN.
- 10.3. Regardless of the series name dealt in the Trading System, the Bonds shall be identified by the Security Identification Number in the PDTC eCS Depository System.
- 10.4. **Pre-settlement (not needed if seller designates a PDTC Name-on-Registry Account as securities settlement account).** Sold Bonds should be lodged in the PDTC Depository on or before settlement date.
- 10.4.1. A seller shall execute a *PDTC Registry Trade Transfer Form*, authorizing the transfer of its Bonds from its Registry Account to the PDTC

Depository Account of its PDEX Brokering Participant (or own Depository account if the seller is a Dealing Participant).

- 10.42.** The seller, through its Brokering Participant (or the Dealing Participant, if it is the seller) shall submit the duly executed Registry Trade Transfer Form and payment for the trade transfer fee to PDTC. Note PDTC's 12 noon cut-off time for same-day processing of transfer requests.
- 10.5. Post-settlement (not needed if buyer designates a PDTC Name-on-Registry Account as securities settlement account).** Bought Bonds can be maintained at the PDTC Depository or uplifted (i.e., withdrawn) and registered under the buyer's name at the PDTC Registry.
- 10.5.1.** Bought Bonds can be maintained in a BSP Circular 392-compliant PDTC Depository account (e.g., account of a Dealing Participant, investor or custodian). Securities maintained at the PDTC Depository are subject to a Depository Maintenance Fee charged to the relevant depository participant.
- 10.5.2.** A buying Trading Participant can opt to transfer the bought Bonds from its Depository account (the "source account") to any of the following accounts (the "target account") using the "Account Transfer" function of the eCS Depository System:
- Another Depository account (i.e, direct depository account of the investor or custodian), or
 - PDTC Name-on-Registry Account.
- Transfers are subject to PDTC Depository transfer or uplift fees.
- 10.5.3.** The target Name-on-Registry Account should already be opened prior to the transfer. Opening of new registry accounts for new holders are subject to an account opening fee and the investor registration documentary requirements of PDTC Registry. Note PDTC's 12 noon cut-off time for same-day processing of account opening requests.