

**Trading & Settlement Operating Guidelines
United Coconut Planters Bank
Long-Term Negotiable Certificates of Time Deposit due 2016**

- 1. Coverage**
 - 1.1.** These Trading and Settlement Guidelines (Guidelines) shall apply to trades on the United Coconut Planters Bank Long-Term Negotiable Certificates of Time Deposit (“UCPB CDs due 2016” or the “UCPB CDs”) upon their listing on PDEX.
 - 1.2.** A Trading Participant of the Philippine Dealing & Exchange Corp. (PDEX) that trades on the UCPB CDs shall be bound by these Trading and Settlement Operating Guidelines for the UCPB CDs (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 UCPB CDs shall be expressed in terms of Clean Price (i.e., price without accrued interest, up to the 7th decimal point), 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 UCPB CDs in the corporate securities board of the Trading System. The two (2) series names for the UCPB CDs 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.** UCPB CDs - “**UCPB 02-16**”
 - 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.** UCPB CDs - “**UCPB 02-16-NWT**”
 - 4.3.** The main series name “**UCPB 02-16**” provides a description of the following information regarding the securities:
 - 4.3.1.** Issuer Symbol - **UCPB**
 - 4.3.2.** Maturity Month - **02** (i.e., February)
 - 4.3.3.** Maturity Year - **16** (i.e., 2016)



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), if available, 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 UCPB CDs

6.1. A Trading Participant shall determine the suitability of each buyer and ensure that it fully understands the terms and conditions of the UCPB CDs, and the risks involved in investing in the UCPB CDs.

7. Trading Break during Record Period.

7.1. In accordance with PDEX Trading Conventions, there shall be a trading break during the Record Period for the UCPB CDs.

7.2. For clarity, the Record Period shall be the period from and including the Record Date to and including one business day prior to the relevant Payment Date. The Record Date for the UCPB CDs is the **fifth (5th) banking day** preceding the relevant Payment Date.

8. **Restrictions on Transfers.** In accordance with the Terms and Conditions of the UCPB CDs, a transfer of the UCPB CDs may generally be done at any time. However, a transfer of the UCPB CDs that will result in a change in the tax treatment of the interest income due thereon may be done only on an Interest Payment Date.

9. Trading and Settlement Mechanics

9.1. The UCPB CDs shall be traded and settled in accordance with PDEX rules, procedures and guidelines, including, for listed coupon bearing securities, rules, conventions and guidelines governing trading and settlement between holders of different tax status.

9.2. **Settlement Policy for Corporate Securities 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.