

**Trading & Settlement Operating Guidelines
United Coconut Planters Bank
Series 3 Fixed-Rate Long Term Negotiable Certificates of Time Deposit due 2017**

1. **Coverage**
 - 1.1. These Trading and Settlement Operating Guidelines shall apply to trades on the United Coconut Planters Bank Series 3 Fixed-Rate Long Term Negotiable Certificates of Time Deposit Due 2017 (“UCPB Series 3 CDs Due 2017” or the “UCPB Series 3 CDs”) upon their listing on the Philippine Dealing & Exchange Corp. (PDEX):
 - 1.2. A PDEX Trading Participant that trades on the UCPB Series 3 CDs shall be bound by these Trading and Settlement Operating Guidelines for the UCPB Series 3 CDs (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 UCPB Series 3 CDs 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 each series of the UCPB Series 3 CDs in the corporate securities board of the Trading System. The two (2) series names for each series of the UCPB Series 3 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 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%.
 - 4.1.1. UCPB Series 3 CDs - “UCPB 08-17”
 - 4.2. 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.
 - 4.2.1. UCPB Series 3 CDs - “UCPB 08-17-NWT”
 - 4.3. The main series name provides a description of the following information regarding the Bonds:
 - 4.3.1. Issuer Symbol - **UCPB**
 - 4.3.2. Maturity Month - **08** (i.e., August)
 - 4.3.3. Maturity Year - **17** (i.e., 2017)



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 UCPB Series 3 CDs

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 UCPB Series 3 CDs.

7. Record Date for the UCPB Series 3 CDs

7.1. The Record Date for the UCPB Series 3 CDs 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 the Terms and Conditions of the UCPB Series 3 CDs, a transfer or assignment of UCPB Series 3 CDs may generally be done at anytime; *Provided*, however, that a transfer or assignment of the UCPB Series 3 CDs which shall result in a change in the tax treatment of the interest income due thereon may be made only on an Interest Payment Date. Upon listing of the UCPB Series 3 CDs on PDEX, transfers may be allowed between persons with different tax status without the foregoing restriction. subject to such procedures and requirements as the Bank may impose (in consultation with the Registrar and the Market Makers) for such transfers, *provided*, that the said transfers are made in accordance with the relevant rules, conventions and guidelines of PDEX and PDTC as securities settlement agent for trades executed in PDEX.