Annex "A"

Summary of Amendments to the PDEx Rules		
Current Rule	**Revision/Amendment**	**Remarks**
N/A	**'BTr'** shall refer to the Bureau of the Treasury.	The proposed amendment expands the Definition of Terms section by adding definitions for "BTr," "Clean Price," "Closed Period," and "Settlement Value." These additions codify commonly used market and operational terms, establish their precise meanings for purposes of the PDEx Rules and the Trading Conventions, and promote clarity and consistency in the interpretation and application of the Rules.
N/A	**'Clean Price'** shall refer to the price per 100 face value of a security, excluding accrued interest and calculated according to the applicable Day Count Standards.	
N/A	**'Closed Period'** shall refer to the period prior to the Coupon Payment Date during which no transfers are allowed in the registry book of an admitted security.	
N/A	**'Settlement Value'** shall refer to the face amount of the security traded multiplied by the Clean Price plus the Accrued Coupon Interest less the Tax on the Accrued Interest, if any.	

Rule 4 All trades in PDEx shall be governed by Trading Conventions agreed upon by the Dealing Participants and approved by PDEx.	Rule 4 ~~All trades in PDEx shall be governed by Trading Conventions agreed upon by the Dealing Participants and approved by PDEx.~~ The Trading Conventions shall apply to all trades subject to the authority of PDEx as a self-regulatory organization under applicable securities laws and regulations. For purposes of these Rules, "Trading Conventions" shall mean the Trading Conventions for Fixed Income Securities in the Public Market, as Amended, including any further amendments thereto agreed upon by the Trading Participants and approved by PDEx and the Securities and Exchange Commission (SEC). The Trading Conventions are hereby incorporated by reference into, and shall form an integral part of, the PDEx Rules.	The proposed amendment to Rule 4 expressly references the Trading Conventions for Fixed Income Securities in the Public Market, as Amended, and incorporates them into the PDEx Rules by reference. This amendment clarifies the relationship between the Rules and the Trading Conventions and promotes their consistent interpretation and application.
Rule 13 PDEx Philippine Government Securities Benchmark Yields shall be calculated according to Calculation Guidelines for the PDST as agreed upon by the Dealing	Rule 13 ~~PDEx~~ The Philippine Peso Government Securities Benchmark ~~Yields~~ shall be the ~~calculated according to~~ PHP BVAL Reference Rates, as published in the PDEx Trading System, and in the official website and	The proposed amendment to Rule 13 removes the reference to the PDST Calculation Guidelines, which became outdated following the market's transition to Bloomberg in 2018. The amendment also clarifies PDEx's role as Benchmark Publication Agent by

Participants and as approved by PDEx.	MarketPage of PDEx.~~, Calculation Guidelines for the PDST as agreed upon by the Dealing Participants and as approved by PDEx.~~	identifying the official channels for publishing benchmark information: the PDEx Trading System, currently Bloomberg FIQ; the PDS website; and PDEx MarketPage. For completeness, a footnote identifies the Bankers Association of the Philippines' PHP BVAL Reference Rates as the current benchmark for Philippine peso-denominated government securities.
Rule 14: These Rules are to be applied/implemented and/or interpreted, if necessary: 1. In accordance with their spirit, intention, and purpose; 2. By looking beyond form to substance; and 3. In a way that best promotes the principles of fair practice and honest dealings.	Rule 14 ~~These Rules are to be applied/implemented and/or interpreted, if necessary:~~ ~~1. In accordance with their spirit, intention, and purpose;~~ ~~2. By looking beyond form to substance; and~~ ~~3. In a way that best promotes the principles of fair practice and honest dealings.~~ 1. **General Principles.** These Rules shall be applied, implemented, and interpreted: (a) in accordance with their spirit, intent, purpose, and regulatory objectives; (b) by giving effect to the substance, intent, and purpose of the applicable Rule, rather than merely its form or literal wording; (c) in a manner that promotes fair practice,	The proposed amendments to Rule 14 expand the general principles governing the interpretation of the PDEx Rules. Its primary purpose is to promote clarity, consistency, and predictability in the application of the Rules. The new sub-provisions specify the materials that may guide interpretation, including the Trading Conventions and the Exchange's circulars and memoranda. They also clarify that relevant amendments, issuances, and directives of PDEx, the Securities and Exchange Commission, and other competent government authorities must be considered when interpreting the Rules.

	honest dealing, transparency, market integrity, investor protection, and the maintenance of a fair, orderly, and efficient market; and, d) in a manner that prevents the circumvention or avoidance of these Rules through any device, scheme, arrangement, or technical construction. 2. **Matters to Be Considered in Interpretation**. In applying, implementing, or interpreting these Rules, PDEx and the Trading Participants shall take into account, insofar as relevant and applicable: (a) the Trading Conventions; (b) circulars, memoranda, directives, notices, bulletins, advisories, guidelines, procedures, interpretations, and other issuances issued by PDEx and the SEC from time to time; and (c) the purpose, context, subject matter, and regulatory objectives of the provision being applied or interpreted. PDEx issuances referred to in paragraph (b) may supplement or provide guidance on the application, implementation, or interpretation of these Rules. Such	

	issuances shall be binding upon the Trading Participants, provided that they are consistent with these Rules and applicable law. 3. **Applicable Laws and Government Issuances.** All applicable laws, rules, regulations, circulars, orders, resolutions, directives, and other issuances administered, implemented, or enforced by the SEC and other government regulatory authority shall, to the extent required or permitted by law and insofar as applicable to PDEx, the Trading Participants, or transactions conducted on PDEx, be deemed incorporated into these Rules by reference.	

Summary of Amendments to the Trading Conventions		
Old Rule	**Revision/Amendment**	**Remarks**
N/A	**Rule 4 of PDEx Rules**	The proposed amendment to the Trading Conventions adds, by way of footnote, a specific reference to Rule 4 of the PDEx Rules.
2.1. General Pricing Convention. Quotations for Fixed Income Securities shall be expressed in terms of Clean Price (i.e. price without accrued interest), exclusive of any applicable withholding tax. For clarity, quotations expressed in Clean Price shall be expressed on a "Price per 100" basis and up to four (4) decimal places (e.g. 100.1234). The Trading System may calculate an implied Yield to Maturity ("YTM") based on the Clean Price quotation expressed as a percentage per annum. Such YTM shall be calculated up to the fourth (4th)	**2.1 General Pricing Convention**. Quotations for Fixed Income Securities shall be expressed in terms of Clean Price (i.e. price without accrued interest), ~~exclusive of any applicable withholding tax.~~ For clarity, quotations expressed in Clean Price shall be expressed on a "Price per 100" basis and up to four (4) decimal places (e.g. 100.1234). The Trading System may calculate an implied Yield to Maturity ("YTM") based on the Clean Price quotation expressed as a percentage per annum. Such YTM shall be calculated up to the fourth (4th) decimal place and displayed up to that fourth decimal place (e.g. 6.5825%)	The proposed amendment to Rule 2.1 of the Convention deletes the phrase *"exclusive of any applicable withholding tax"* to align the provision with the new gross-of-tax convention, under which prices and settlement amounts are determined based on gross yield.

decimal place and displayed up to that fourth decimal place (e.g. 6.5825%)		
2.2. Government Securities Pricing Convention. Quotations for the Government Securities may be expressed in terms of Gross Yield to Maturity (YTM) or clean price (i.e. price without accrued interest), exclusive of any applicable withholding tax. For clarity, when quotations are made in YTM, these shall be expressed in percentage per annum and up to 4 decimal places (e.g. 6.1250% p.a.). The Trading system shall calculate the Clean Price from the inputted YTM quotation up to the twelfth (12th) decimal place, but display only up to the seventh decimal place (e.g., 98.1234567).	**2.2 Government Securities Pricing Convention.** Quotations for the Government Securities may be expressed in terms of Gross Yield to Maturity (YTM) or Clean Price (i.e. price without accrued interest), ~~exclusive of any applicable withholding tax.~~ For clarity, when quotations are made in YTM, these shall be expressed in percentage per annum and up to 4 decimal places (e.g. 6.1250% p.a.). The Trading system shall calculate the Clean Price from the inputted YTM quotation up to the twelfth (12th) decimal place, but display only up to the seventh decimal place (e.g., 98.1234567). For clarity, the pricing methodology for Government Securities shall be the methodology adopted by the National Government, through the Bureau of the Treasury, under its applicable rules or issuances, as may be amended or supplemented from time to time.	The proposed amendment to Rule 2.2 deletes the phrase “exclusive of any applicable withholding tax” to align the provision with the new gross-of-tax convention, under which prices and settlement amounts are determined based on gross yield. The amendment also ensures consistency with the corresponding language of Rule 2.1.

N/A	**2.3. Corporate Securities Pricing Convention.** Quotations for Corporate Securities shall be subject to the Government Securities Pricing Convention set forth above, to the extent applicable, and shall be quoted and executed in accordance with such convention, unless otherwise provided under these Rules or applicable regulations.	The proposed amendment adds Rule 2.3 as a separate section addressing the pricing convention for Corporate Securities. This addition distinguishes Corporate Securities from Government Securities and improves the logical flow of the Trading Conventions, which now proceed from the General Pricing Convention to the conventions applicable to Government Securities and, finally, Corporate Securities. The separate treatment is organizational and does not establish a different pricing methodology, as Corporate Securities remain subject to the same pricing convention applicable to Government Securities.
3.2. For government securities and corporate bonds and commercial papers. Philippine Pesos Five Thousand (PhP5,000) Face Amount, or the minimum denomination of the Security based on the terms and conditions set by the Issuer.	3.2. ~~For government securities and corporate bonds and commercial papers. Philippine Pesos Five Thousand (PhP5,000) Face Amount, or~~ the minimum denomination of the Security ~~based on the terms and conditions set by the Issuer.~~ shall be as specified by the Issuer, which shall be deemed incorporated herein by reference.	The proposed amendment to Rule 3.2 removes the specific minimum denomination amount and replaces it with more flexible language. This allows the applicable minimum denomination to accommodate changes in market practice or regulatory requirements without requiring a corresponding amendment to the Trading Conventions.

4. Day Count Standards 4.1. Short-Term Instruments – Actual / 360 4.2. Notes and Bonds 4.2.1. 30E/360 ISMA non end of month, 4.2.2. Actual / Actual 4.2.3. Actual / 360 (when available in the Trading System) 4.2.4. Actual / 365 (when available in the Trading System.	4. Day Count Standards 4.1. Short-Term Instruments – Actual / 360 4.2. Notes and Bonds 4.2.1. 30E/360 ISMA non end of month, 4.2.2. Actual / Actual ~~4.2.3.~~ Actual / 360 ~~(when available in the Trading System)~~ 4.2.4. Actual / 365 ~~(when available in the Trading System)~~	The proposed amendment to Rule 4 deletes the phrase "when available in the Trading System" to remove uncertainty regarding the applicable day count standards. As the relevant standards have been confirmed as available in the Trading System, the qualification is no longer necessary. Its removal provides greater certainty and accurately reflects the Trading System's current capabilities. Although the amendment is not directly related to the Bond Pricing Initiative, it is included as a housekeeping update to improve the clarity and accuracy of the Trading Conventions.

7. Settlement Value Computations The Settlement Value shall be a function of the Face Amount of the Security traded multiplied by the Clean Price less the applicable tax, if any, plus the Accrued Coupon Interest less the Tax on the Accrued Interest, if any. Each Settlement Value shall be computed up to the third decimal place and rounded to the second decimal place. The applicable taxes shall be that determined by the Trading Participants and communicated to PDEx.	7. Settlement Value Computations The Settlement Value shall be a function of the Face Amount of the Security traded multiplied by the Clean Price ~~less the applicable tax, if any,~~ plus the Accrued Coupon Interest less the Tax on the Accrued Interest, if any. It shall be calculated as follows: Settlement Value = (Face Amount of the Security traded × Clean Price) + Accrued Coupon Interest − Tax on Accrued Interest, if any). Each Settlement Value shall be computed up to the third decimal place and rounded to the second decimal place. ~~The applicable taxes shall be that determined by the Trading Participants., and communicated to PDEx.~~ For the avoidance of doubt, ***Clean Price*** shall refer to the price per 100 face value of a security and calculated according to the applicable Day Count Standards under Section 4.	The proposed amendment deletes the phrase '*less the applicable tax, if any*" to align the provision with the new gross-of-tax convention, under which prices and settlement amounts are determined based on gross yield. For greater clarity, the amendment also introduces a formula and expressly uses the term "Accrued Coupon Interest" to identify the amount to which the applicable tax relates, thereby avoiding ambiguity in the calculation.

8.3. To preserve market order and maintain the integrity of secondary market prices, whenever an issuer announces irrevocably that it will exercise its right to early redemption, the following, shall be observed: 8.3.1 A temporary trading halt on the security shall be called in order for adjustments to the maturity date and redemption price of the security to be made in the trading system. The adjustments would make the security's settlement price reflect the appropriate discount from the actual redemption date and price. xxx	8.3. To preserve market order and maintain the integrity of secondary market prices, whenever an issuer announces irrevocably that it will exercise its right to early redemption, the following, if deemed necessary, shall be observed: 8.3.1 A temporary trading halt on the security shall be called in order for adjustments to the maturity date and redemption price of the security to be made in the trading system. The adjustments would make the security's settlement price reflect the appropriate discount from the actual redemption date and price. xxx	The proposed amendment adds the phrase "if deemed necessary" to the provision governing trading halts following an issuer's exercise of early redemption. This amendment grants PDEx appropriate discretion to determine whether a trading halt is warranted based on the circumstances. In practice, Bloomberg may promptly implement the required adjustment upon PDEx's instruction, allowing trading to continue without disruption. The amendment therefore preserves PDEx's authority to impose a trading halt when necessary without requiring one where the adjustment can be completed efficiently. Although this amendment is not directly related to the Bond Pricing Initiative, it is included as a practical update to reflect current operational capabilities.

PDEx Rules for the Fixed Income Securities Market, as Amended

These Rules shall govern all transactions dealt on the PDEx Trading Platforms for Fixed Income Securities.

Definition of Terms

As used in these Rules, the following terms shall have the definitions given herein:

1. ***'Brokering Participant'*** shall refer to the type of Trading Participant that buys and sells Securities for the account of others.
2. ***'BSP'*** shall refer to the *Bangko Sentral ng Pilipinas*.
3. ***'BTr'*** shall refer to the *Bureau of the Treasury*.
4. ***'Clean Price'*** shall refer to the price per 100 face value of a security, excluding accrued interest and calculated according to the applicable Day Count Standards under the Trading Conventions.
5. ***'Closed Period'*** shall refer to the period prior to the Coupon Payment Date during which no transfers are allowed in the registry book of an admitted security.
6. ***'Commission'*** *or* ***'SEC'*** shall refer to the Securities and Exchange Commission.
7. ***'Counterparty Limit Officers'*** shall refer to those Officers designated and authorized by Trading Participants to enter Counterparty Limits as defined and described in Rule 2.4 hereof, for and on behalf of such Trading Participant.
8. ***'Customer'*** shall refer to a person for whose account a Brokering Participant buys or sells Securities. A Customer may be an individual or a corporation or other entity, and may be a Qualified Investor or a Non-Qualified Investor.
9. ***'Dealing Participant'*** shall refer to the type of Trading Participant that buys or sells Securities for its own account.
10. ***'Enrolled Securities'*** shall refer to Securities that are available for purchase and sale to Dealing Participants, and Brokering Participants trading on behalf of Qualified Investor-customers only, as admitted for trading in the PDEx Trading System in accordance with these Rules. (rev 102918)
11. ***'Firm'***, in relation to a quote, shall mean a representation given by a party to a transaction that will be considered good by another party until the sooner of their cancellation or the close of the trading session. It shall also have the meaning given to the term in Rule 3.4 of these Rules.
12. ***'Government Securities'*** means treasury bills and bonds issued by the National Government.
13. ***'Guarantor'*** means the party that takes responsibility for the payment of a debt or performance of an obligation if the person primarily liable fails to perform.
14. ***'Issuer'*** shall refer to the person or entity that is obligated in a Security.

15. ***'Listed Securities'*** shall refer to Securities that are available for purchase and sale to all types of Customers, including Non-Qualified Investors, as admitted for trading in the PDEx Trading System in accordance with these Rules.

16. ***'Market Controller'*** shall refer to that PDEx officer tasked to oversee all trading and trading-related activities and ensure orderly conduct of the market activities within, among others, the PDEx Trading Platform.

17. ***'Market-Makers'*** shall refer to those Dealing Participants qualified by PDEx in accordance with Rule 1.5 hereof and required to perform the functions also specified in said Rule 1.5.

18. ***'Non-Trading Participant'*** shall refer to any person or legal entity that is not a Trading Participant and is either an SEC-registered broker, dealer or Qualified Investor. (new071709).

19. ***'Off-market quotes'*** shall refer to those quotes determined by PDEx to be unreasonable given the market conditions at a particular time. (rev 102918)

20. ***'PDEx'*** shall refer to the Philippine Dealing & Exchange Corp.

21. ***'PDEx Rules'*** or ***'Rules'*** shall refer to rules adopted by PDEx and approved by the Securities and Exchange Commission, as the same are amended from time to time.

22. ***'Price'*** shall refer to the amount paid to buy a specified unit or units, e.g. 1 or 100, of a security.

23. ***'Qualified Investor'*** shall refer to an investor that is not an SEC-registered securities dealer or broker, and is any one of the Qualified Investors as defined under the relevant SEC rules and regulations. (new071709)

24. ***'Representative'*** shall refer to the authorized signatory and authorized recipient of notices designated by the Trading Participant for its transactions with PDEx.

25. ***'Salesmen'*** shall refer to the SEC-registered salesman designated sales personnel of the Brokering Participant authorized to buy or sell securities for the account of its Customers in the PDEx Trading System and registered as such by PDEx.

26. ***'Securities'*** means fixed income securities, including Government Securities insofar as the same may be applicable.

27. ***'Securities Laws'*** shall refer to the Securities Regulation Code, including the implementing rules and regulations adopted under and by virtue thereof, as well as related regulations, forms, applications, and instructions thereto, as the same may be amended from time to time.

28. ***Settlement Value'*** shall refer to the face amount of the security traded multiplied by the Clean Price plus the Accrued Coupon Interest less the Tax on the Accrued Interest, if any.

29. ***'Settlement Person'*** shall have the meaning given to the term in Part Two of Rule 8.3 of these Rules. (new060914)

30. ***"Settlement System"*** shall refer to either the PDSClear DVP system or the BTr

NRoSS-PhilPaSS DvP system. (new032525)

31. ***'Shelf Registered Securities'*** are issued under a shelf registration program allowing them to be issued in tranches under a single registration statement for an offering to be made on a continuous or delayed basis for a period as defined in the applicable shelf registration rules of the SEC as may be amended from time to time. (new022521)
32. ***'SRC'*** shall refer to the Securities Regulation Code, or such other relevant law adopted and implemented to regulate the securities industry, as the same may be amended from time to time.
33. ***'Traders'*** shall refer to the SEC-registered salesman designated dealing personnel of the Dealing Participant authorized to buy or sell Securities for its own account in the PDEx Trading System and registered as such by PDEx. (rev 102918)
34. ***'Trading Delay'*** shall have the meaning given to that term in Rule 9 of these Rules.
35. ***'Trading Halt'*** shall have the meaning given to that term in Rule 9 of these Rules.
36. ***'Trading Participant'*** shall refer to any person or legal entity that has been qualified to trade on the PDEx Trading System.
37. ***'Yield'*** shall refer to the percentage return on the Security based on the price paid therefor versus the proceeds at maturity.

RULE 4
TRADING CONVENTIONS

~~All trades in PDEx shall be governed by Trading Conventions agreed upon by the Dealing Participants and approved by PDEx.~~

The Trading Conventions shall apply to all trades subject to the authority of PDEx as a self-regulatory organization under applicable securities laws and regulations.

For purposes of these Rules, “Trading Conventions” shall mean the Trading Conventions for Fixed Income Securities in the Public Market, as Amended, including any further amendments thereto agreed upon by the Trading Participants and approved by PDEx and the Securities and Exchange Commission (SEC). The Trading Conventions are hereby incorporated by reference into, and shall form an integral part of, the PDEx Rules.

RULE 13
BENCHMARKS

~~PDEx~~ The Philippine Peso Government Securities Benchmark ~~Yields~~ shall be the ~~calculated~~ ~~according to~~ PHP BVAL Reference Rates[2]~~, Calculation Guidelines for the PDST as agreed upon by the Dealing Participants and as approved by PDEx., ~~, as published in the PDEx Trading System, and in the official website and MarketPage of PDEx.

[2] *PHP GS Benchmark is currently BAP's PHP BVAL Reference Rates (for Benchmark Tenors and for Government Securities)

RULE 14
INTERPRETATION OF THE RULES

~~These Rules are to be applied/implemented and/or interpreted, if necessary:~~

~~1. In accordance with their spirit, intention, and purpose;~~

~~2. By looking beyond form to substance; and~~

~~3. In a way that best promotes the principles of fair practice and honest dealings.~~

1. **General Principles.** These Rules shall be applied, implemented, and interpreted:

(a) in accordance with their spirit, intent, purpose, and regulatory objectives;

(b) by giving effect to the substance, intent, and purpose of the applicable Rule, rather than merely its form or literal wording;

(c) in a manner that promotes fair practice, honest dealing, transparency, market integrity, investor protection, and the maintenance of a fair, orderly, and efficient market; and,

d) in a manner that prevents the circumvention or avoidance of these Rules through any device, scheme, arrangement, or technical construction.

2. **Matters to Be Considered in Interpretation**. In applying, implementing, or interpreting these Rules, PDEx and the Trading Participants shall take into account, insofar as relevant and applicable:

(a) the Trading Conventions;

(b) circulars, memoranda, directives, notices, bulletins, advisories, guidelines, procedures, interpretations, and other issuances issued by PDEx from time to time; and

(c) the purpose, context, subject matter, and regulatory objectives of the provision being applied or interpreted.

PDEx issuances referred to in paragraph (b) may supplement or provide guidance on the application, implementation, or interpretation of these Rules. Such issuances shall be binding upon the Trading Participants, provided that they are consistent with these Rules and applicable law.

3. **Applicable Laws and Government Issuances.** All applicable laws, rules, regulations, circulars, orders, resolutions, directives, and other issuances administered, implemented, or enforced by the SEC and other government regulatory authority shall, to the extent required or permitted by law and insofar as applicable to PDEx, the Trading Participants, or transactions conducted on PDEx, be deemed incorporated into these Rules by reference.

TRADING CONVENTIONS FOR FIXED INCOME SECURITIES IN THE PUBLIC MARKET, AS AMENDED[1]

1. Trading Hours

1.1. Pre-Open Session – 08:30AM - 09:00AM

1.2. Morning Session - 09:00AM - 12:00NN

1.3. Afternoon Session - 02:00PM - 04:00PM

1.4. Close – 04:00PM

2. Quoting Conventions

2.1. **General Pricing Convention**. Quotations for Fixed Income Securities shall be expressed in terms of Clean Price (i.e. price without accrued interest), ~~exclusive of any applicable withholding tax~~. For clarity, quotations expressed in Clean Price shall be expressed on a "Price per 100" basis and up to four (4) decimal places (e.g. 100.1234). The Trading System may calculate an implied Yield to Maturity ("YTM") based on the Clean Price quotation expressed as a percentage per annum. Such YTM shall be calculated up to the fourth (4th) decimal place and displayed up to that fourth decimal place (e.g. 6.5825%)

2.2. **Government Securities Pricing Convention.** Quotations for the Government Securities may be expressed in terms of Gross Yield to Maturity (YTM) or Clean Price (i.e. price without accrued interest), ~~exclusive of any applicable withholding tax.~~ For clarity, when quotations are made in YTM, these shall be expressed in percentage per annum and up to 4 decimal places (e.g. 6.1250% p.a.). The Trading system shall calculate the Clean Price from the inputted YTM quotation up to the twelfth (12th) decimal place, but display only up to the seventh decimal place (e.g., 98.1234567).

For clarity, the pricing methodology for Government Securities shall be the methodology adopted by the National Government, through the Bureau of the Treasury, under its applicable rules or issuances, as may be amended or supplemented from time to time.

2.3. **Corporate Securities Pricing Convention.** Quotations for Corporate Securities shall be subject to the Government Securities Pricing Convention set forth above, to the extent applicable, and shall be quoted and executed in accordance with such convention, unless otherwise provided under these Rules or applicable regulations.

3. Volume and Trading Lot Conventions

3.1. **Volume Convention.** Fixed Income Securities Volumes are lots of the Face Amount of the Securities.

[1] The *Trading Conventions*, as amended, shall be deemed incorporated by reference under Rule 4 of PDEx Rules.

3.2. **Minimum Trading Size**

~~*For government securities and corporate bonds and commercial papers.* Philippine Pesos Five Thousand (PhP5,000) Face Amount, or the minimum denomination of the Security based on the terms and conditions set by the Issuer.~~

The minimum denomination of the Security shall be as specified by the Issuer, which shall be deemed incorporated herein by reference.

4. Day Count Standards

4.1. Short-Term Instruments – Actual / 360

4.2. Notes and Bonds

4.2.1. 30E/360 ISMA non end of month,

4.2.2. Actual / Actual

4.2.3. Actual / 360 ~~(when available in the Trading System)~~

4.2.4. Actual / 365 ~~(when available in the Trading System)~~

5. Trade Mechanics. Trading Participants shall comply with the trade mechanics set forth in the PDEx Rules.

6. Standard Settlement Date. The standard settlement date for Fixed Income Securities traded through PDEx Trading System shall be the next Trading Day following the Trading Day when the trades were executed (“T+1”).

7. Settlement Value Computations

The Settlement Value shall be a function of the Face Amount of the Security traded multiplied by the Clean Price ~~less the applicable tax, if any,~~ plus the Accrued Coupon Interest less the Tax on the Accrued Interest, if any. It shall be calculated as follows:

> Settlement Value = (Face Amount of the Security traded × Clean Price) + Accrued Coupon Interest − Tax on Accrued Interest, if any).

Each Settlement Value shall be computed up to the third decimal place and rounded to the second decimal place. ~~The applicable taxes on Accrued Coupon Interest shall be that determined by the Trading Participants., and communicated to PDEx.~~

For the avoidance of doubt, ***Clean Price*** shall refer to the price per 100 face value of a security and calculated according to the applicable Day Count Standards under Section 4.

8. Handling of Exercises of Early Redemption for Callable Securities (new032420)

8.1 Callable Securities allow the issuer of the bond to exercise a right to redeem the security at a date earlier than the original maturity date and at the early redemption price. All details pertaining to this right, such as but not limited to, the early redemption date, early redemption price, and procedures for announcing such exercise, are indicated in the security's prospectus.

8.2 In practice, such exercises of early redemption are announced in advance (e.g., 60 days prior to the redemption date) and will impact the secondary market trading of the bond, i.e., in the calculation of prices and discounting of proceeds.

8.3 To preserve market order and maintain the integrity of secondary market prices, whenever an issuer announces irrevocably that it will exercise its right to early redemption, the following, if deemed necessary, shall be observed:

8.3.1 A temporary trading halt on the security shall be called in order for adjustments to the maturity date and redemption price of the security to be made in the trading system. The adjustments would make the security's settlement price reflect the appropriate discount from the actual redemption date and price.

8.3.2 The temporary trading halt shall be lifted once the adjustment in the trading system is implemented, but in no case should this halt exceed a period of one (1) trading day.

8.3.3 The temporary trading halt and lifting thereof shall be duly announced to the Trading Participants as these are called.

9. Settlement Conventions in Cases of Force Majeure Events and Unplanned Holidays (new110909)

9.1 **Definition of Force Majeure Event and Unplanned Non-working Holidays.** Force Majeure Events and Unplanned Non-working Holidays shall refer to those events and non-working holiday declarations which have the effect of suspending clearing operations of the Philippine Clearing House Corporation.

9.2 **Effect of Covered Force Majeure Events and Unplanned Holiday.** A Force Majeure Event and an Unplanned Non-working Holiday shall effectively cause a move of the settlement date for all trades scheduled to be settled on the day when such Force Majeure Event occurs or such Unplanned Non-working Holiday falls to the business day immediately following such day, where such day is a settlement day under PDEx Rules and Conventions.

9.3 **Non-Adjustment of Settlement Amount.** Following the principle of “no fault” by any of the trading counterparts, whenever a settlement date is moved due to a Force Majeure Event or an Unplanned Non-working Holiday, no further adjustments to the originally contracted Settlement Amount shall be sought nor made by either trading counterpart.

10. Trading During Closed Period (new111617)

During the Closed Period, defined as the period prior to the Coupon Payment Date during which no transfers are allowed in the registry book of an admitted security, Trading Participants can continue executing trades on an admitted security provided the settlement of such trades fall on the business day immediately succeeding the end of the Closed Period.

11. Transitory Provision for Outstanding Corporate Securities with More Than Two (2) Days Closed Period (new 111617)

This convention shall apply to outstanding Securities where the Closed Period is longer than two (2) days. During the Closed Period defined as the period between the Record Date and one (1) business day prior to the Coupon Payment Date, the Issuer shall issue instructions to PDEx to cease trading of its Securities. However, participating Market Makers for the Fixed Income Security shall continue to post Bid Prices but on an indicative basis. The indicative Bid Prices shall be monitored for rate reasonability by PDEx based on guidelines to be set forth by PDEx.