

PDAX FIXED-INCOME SECURITIES RULES

Last Updated: 2 January 2025

These rules (the “Fixed-Income Securities Rules”), in addition to the Terms and Conditions found in <https://pdax.ph/terms-and-conditions>, and all rules and policies incorporated therein by reference, shall govern your relationship with PDAX when creating, accessing, and using your PDAX Account for and in relation to fixed-income securities services (“FIS Services”, as defined in these Fixed-Income Securities Rules), as performed by licensed FIS Partners.

These Fixed-Income Securities Rules are deemed an addition to, and incorporated into the Terms and Conditions. In case of conflict between the Terms and Conditions and these Fixed-Income Securities Rules, these Fixed-Income Securities Rules shall govern the activities and services considered as and related to the FIS Services.

1. DEFINITIONS

The capitalized terms used herein which are defined in the Terms and Conditions, shall have the respective meanings assigned to them in the Terms and Conditions except as otherwise provided herein or unless the context otherwise requires. In addition to the definitions in the Terms and Conditions, the following definitions apply:

- a. **FIS** refers to fixed-income securities, including but not limited to government securities, that are lawfully offered and sold to the public in accordance with applicable laws and regulations.
- b. **FIS Account** refers to your account maintained with an FIS Partner, to avail of FIS Services.
- c. **FIS Services** refers to licensed fixed income securities brokerage and dealership services performed by an FIS Partner.
- d. **FIS Partner** refers to a duly licensed securities broker-dealer with the SEC that performs FIS Services availed of by the Users.
- e. **FIS Tokens** refers to the digital tokens created and/or minted by PDAX under the instructions of the FIS Partner, and as described in Section 6(b) of these Fixed-Income Securities Rules.
- f. **FIS System** refers to system created and owned by PDAX for, and utilized by, the FIS Partner, including but not limited to the network of hardware and software processes, systems, and applications, through which the FIS Partner provides the FIS Services, including the servers, source code, code base, and wallets, as may be applicable.

The term “Services” in the Terms and Conditions shall include PDAX’s roles as an instruction delivery channel for the FIS Services under these Fixed-Income Securities Rules.

2. GENERAL POLICY

These Fixed-Income Securities Rules govern your access and usage of the FIS System, and the PDAX Platform and PDAX Account for the FIS Service through the FIS Partner. To the extent not prohibited by Applicable Laws and Rules, PDAX may promulgate operational guidelines to govern the access and use of the FIS System from time to time, which shall be deemed incorporated into, and shall form part of, these Fixed-Income Securities Rules.

By opening an FIS Account, using the FIS System, and availing of FIS Services, you understand and agree that PDAX mainly provides an instruction delivery channel for the use

of the User and the FIS Partner by which you access and/or give instructions in relation to an FIS Partner's FIS Services. All FIS Services are strictly performed by the FIS Partner.

3. FIS ACCOUNT OPENING AND FIS PARTNER

You may create an FIS Account by utilizing the PDAX Platform, including the FIS System. By initializing the FIS Account creation process or creating an FIS Account, you authorize PDAX to transmit any and all information pertaining to or which you provided or will be providing for your PDAX Account, including personal information and sensitive personal information, as defined under Applicable Laws and Rules, and identification documents, to the FIS Partner, for the purpose of opening an FIS Account and fully availing of the FIS Services. PDAX and the FIS Partner shall separately maintain these pieces of information, and shall each adhere to their separate and independent data privacy protection protocols and Privacy Policies.

When allowed by PDAX, you may also create an FIS Account using a Partner Platform subject to the Terms and Conditions, including all provisions applicable to PDAX Accounts created through a Partner Platform.

Your FIS Account is under the FIS Partner's or its third-party service providers' (as applicable) sole control and custody, and is subject to the FIS Partner's maintenance, safekeeping, and separate terms and conditions.

Currently, the Company provides an FIS System to its subsidiary, bonds.ph Inc. to offer to sell, sell and distribute FIS to Users through a digital distribution channel – the bonds.ph Platform. bonds.ph Inc. is a registered Broker / Dealer in Securities and a licensed Government Securities Eligible Dealer ("GSED") with the Philippine Securities and Exchange Commission ("SEC"), and an admitted Brokering and Dealing participant of the Philippine Dealing and Exchange Corp. ("PDEX"). As the FIS Partner, bonds.ph Inc. performs all the securities broker-dealer transactions and services as broker-dealer of the User when availing FIS Services.

All FIS Services performed by bonds.ph Inc. are subject to the bonds.ph Inc. terms and conditions which may be accessed at <https://bonds.ph/terms-and-conditions/>.

4. REPRESENTATIONS AND WARRANTIES

In addition to your representations and warranties in the Terms and Conditions, you represent and warrant each time you access or use your FIS Account and/or avail of the FIS Services that:

- a. Your opening of an FIS Account and the use of the FIS Services will not violate Applicable Laws and Rules, whether in the Republic of the Philippines or abroad, including but not limited to regulations on anti-money laundering, anti-corruption, counter-terrorist financing, cybercrimes, and data privacy protection;
- b. You will abide and comply with the applicable FIS Partner's terms and conditions, Privacy Policy and all applicable rules and guidelines during the creation and use of your FIS Account and the FIS System, and the availment of FIS Services. You understand that any breach or violation of the FIS Partner's terms and conditions, Privacy Policy and all applicable rules and guidelines, shall also result in the breach or violation of these Fixed-Income Securities Rules.
- c. You will not use, misuse, or abuse the FIS Services, FIS Account, and any aspect of your relationship with the FIS Partner, to circumvent the PDAX Platform Rules, including these Fixed-Income Securities Rules, and all rules, policies, and operational guidelines incorporated therein by reference.

- d. You represent and warrant that you have sufficient funds and FIS in your FIS Account to enable the FIS Partner to perform and execute FIS Services that you order through your FIS Account. You shall hold PDAX and the FIS Partner free and harmless from the consequences of any transaction that violates this representation and warranty.

5. DISCLAIMER OF WARRANTIES

To the maximum extent allowed by Applicable Laws and Rules and in addition to the express disclaimer of warranties in the Terms and Conditions, PDAX does not warrant:

- a. the accuracy, adequacy, reliability, or completeness of any information and materials found on the FIS System, and expressly disclaims liability for errors or omissions therein;
- b. that the FIS System is free from any virus or other malicious, destructive, or corrupting code, or program;
- c. uninterrupted access to the FIS System, or that it will be free from any errors or downtime;
- d. the timeliness, accuracy, quality, completeness, or existence of the content and information posted in the FIS System;
- e. that a transaction pertaining to FIS through your FIS Account will push through every time or at the price that you ordered or instructed;
- f. that the proceeds of the sale of FIS through your FIS Account will immediately be credited to you;
- g. that the FIS will generate income and/or returns, that the FIS will generate income and/or returns in accordance with your expectations, or that the FIS issuer will satisfy the terms of the FIS;
- h. that the FIS Partner will accurately, adequately, reliably, or completely perform any of your instructions, as transmitted by PDAX to the FIS Partner; and
- i. that the FIS Partner will accurately, adequately, reliably, or completely perform any of your instructions.

These disclaimers shall also apply to any information, software, hardware, or system, provided by the FIS Partner.

6. PDAX SERVICES

- a. Instruction Delivery
 - i. You understand and agree that PDAX merely transmits your instructions pertaining to FIS Services to the FIS Partner through, among other methods, APIs and Blockchain (including the features thereof and digital tokens).
 - ii. PDAX and the FIS Partner shall not be responsible for any inaccuracy in, error in, miscalculation in, or commercial effects of, your instructions.
 - iii. If the FIS System is subject to a Downtime, you may reach out to the FIS Partner to avail of its FIS Services through a messenger channel or other communication methods to be provided by the FIS Partner for offline orders, as may be available. Posted orders shall only be deemed confirmed once the FIS

Partner replies. There may be delays in processing of transactions, and posting of account updates and movements during a Downtime.

You shall hold PDAX free and harmless from and waive any claim or action against PDAX arising from the consequences of any transaction executed between you and the FIS Partner during a Downtime.

b. Blockchain and Digital Tokens

One of the methods for instruction delivery through the FIS System is the utilization of the Blockchain and digital tokens. Through the use of digital tokens created and/or minted by PDAX on the Polygon blockchain or such other Blockchain, as PDAX may deem fit (each, a "FIS Token"), the User is able to effectively buy, sell, trade, transfer and hold/safe-keep the FIS Token in the FIS System. An FIS Token represents Securities under the custody of the FIS Partner, wherein the FIS Partner also acts as the securities broker-dealer.

Each FIS Token is subject to all Applicable Laws and Rules, and the FIS Partner's terms and conditions, rules and policies.

Currently, the FIS System utilized by bonds.ph Inc. involves FIS Tokens which represent treasury bills and bonds issued by the Philippine Bureau of Treasury and brokered by bonds.ph Inc. These FIS Tokens, the use of the FIS Account and the availment of the FIS Services are subject to the bonds.ph Inc. terms and conditions which may be accessed at <https://bonds.ph/terms-and-conditions/> ("bonds.ph Terms and Conditions"). You should read the bonds.ph Terms and Conditions carefully. By purchasing, receiving, or holding FIS Tokens, you are agreeing to the bonds.ph Terms and Conditions.

The bonds.ph Terms and Conditions contain important information about your use of FIS Account and the FIS Token involved in FIS Services performed by bonds.ph Inc., including bonds.ph Inc.'s performance of its obligation as your securities broker. The FIS Tokens correspond to FIS held by bonds.ph Inc. and are different from Virtual Assets. When you buy or sell FIS Tokens in the FIS System, the Company shall communicate your instructions to the bonds.ph Inc., which will satisfy your order instructions by implementing it in accordance with Applicable Laws and Rules, and bonds.ph Terms and Conditions.

If you have any questions or concerns about the FIS Tokens or any transactions related thereto, kindly contact bonds.ph in accordance with bonds.ph Terms and Conditions.

c. Payment for FIS Services and other fees and charges

- i. **FIS Purchase.** You shall pay for the purchase of FIS made through your FIS Account and any relevant fees and charges by relaying the appropriate instructions, through the PDAX Platform (including the FIS System and FIS Tokens), for the debit of the corresponding amount of Fiat Currency in your PDAX Account. Should any such instructions be received by PDAX, and duly authenticated by PDAX through appropriate procedures, PDAX shall debit the equivalent Fiat Currency from your PDAX Account, and credit the same amount to the FIS Partner as payment for the relevant FIS, and the relevant fees and charges to the FIS Partner or its partners, as applicable.

For this purpose the appropriate amount of Fiat Currency in your PDAX Account will be earmarked for an open FIS buy order you place through your FIS Account, together with the amount of corresponding fees of the FIS Partner. Such earmarked amount corresponding to the order price of the FIS (and any relevant fees and charges) shall be deemed to be effectively in the custody of the FIS Partner for purposes of fulfilling such open FIS buy order on your behalf.

- ii. **FIS Sale.** You shall pay for any relevant fees and charges the sale of your FIS made through your FIS Account by relaying the appropriate instructions, through the PDAX Platform (including the FIS System and FIS Tokens), for the debit of the corresponding amount of Fiat Currency in your PDAX Account. Should any such instructions be received by PDAX, and duly authenticated by PDAX through appropriate procedures, PDAX shall debit the equivalent Fiat Currency from your PDAX Account, and credit the same amount to the FIS Partner (or its partners, as applicable).

Once the FIS sale has been executed and the FIS Partner receives the payment for such purchase on your behalf, the FIS Partner shall debit the relevant amount of Fiat Currency in your PDAX Account, net of any fees and charges.

- iii. All payment instructions from the User shall be fully pre-funded. PDAX has the right to deduct additional funds from, or return excess funds to, the User's PDAX Account depending on the final transaction price from the FIS Partner. PDAX may automatically reject a payment instruction if your PDAX Account does not contain sufficient Fiat Currency on top of the Minimum Required Balance, as required under Section 25(c) [STORAGE, DEPOSITS, AND WITHDRAWALS OF DIGITAL ASSETS AND FIAT CURRENCIES – Cashing-In and Cashing-Out of Fiat Currency] (iv) of the Terms and Conditions.
- iv. Payment transactions are subject to fees as may be charged by PDAX, Partners and/or the FIS Partner (or its partners, as applicable).
- v. PDAX shall not be liable for any delay in the receipt of Fiat Currency payment by the FIS Partner or in complying with the FIS order or instructions.
- vi. All net proceeds, revenues, and payments in Fiat Currency from the purchase, sale or holding of FIS (including discounts, premiums or coupon payments) through your FIS Account by the FIS Partner will be credited to your PDAX Account.
- vii. PDAX and/or the FIS Partner may impose transaction limits, as necessary.

7. COMMUNICATIONS AND COMPLAINTS

- a. Communications and complaints in relation to the FIS or the FIS Services, as accessed through the PDAX Platform (including the FIS System or the FIS Token), may be relayed through PDAX's customer service channels, in addition to the FIS Partner's own consumer protection assistance mechanism. Depending on the nature, gravity, or complexity of the concern, your communications and complaints may be solely handled by the FIS Partner's own customer service channel.
- b. You can modify or remove your permissions granted to an FIS Partner or FIS Account through the PDAX Platform. Any modification in your permissions may affect how you access your FIS Account and FIS Services.
- c. You authorize PDAX to do the following in relation to your FIS Account: view your transactions, view your balance, create an escalation ticket. Nothing in this provision shall limit any of PDAX's rights and privileges in relation to your PDAX Account under the Terms and Conditions, adverse effects to your FIS Account notwithstanding.

8. LIMITATION OF LIABILITY

You agree to hold PDAX free and harmless from any action, claim, liability arising from your activities pertaining to the FIS, FIS Services, your FIS Account, the FIS System, and your

relationship with the FIS Partner. You agree to hold PDAX free and harmless from any and all consequences of PDAX's exercise of its rights, privileges, and remedies under the Terms and Conditions and these Fixed-Income Securities Rules, including the holding, blocking, freezing, or termination of: [a] your PDAX Account and [b] your access to the FIS Account, FIS Services, and FIS System via the PDAX Platform.

PDAX reserves the right to recover Fiat Currency and other assets from you should you, for any reason, obtain any in excess of what you are legally or contractually entitled to. This includes those obtained due to errors, malicious actions, or negligence, whether committed by you or a third-party.

If, for any reason, the Fiat Currency in your PDAX Account is insufficient to pay your obligations to PDAX, PDAX may liquidate assets in your PDAX Account, including (to the extent allowed by Applicable Laws and Rules) FIS, and appropriate unsettled amounts due to you, to answer for unpaid obligations. In case PDAX decides to liquidate your FIS and, for any reason, fails to sell the same, PDAX reserves the right to claim the unpaid obligations from you and to enforce other remedies as permitted by Applicable Laws and Rules and your agreements with PDAX.

You agree that PDAX's participation in the FIS or the FIS Services is limited to information and instruction transmission, as a service provider of the FIS Partner.

Sections 24(b) [PDAX TRADE AND CONVERSION SERVICES – Provisions common to transactions under Exchange Rules, Software Broker-Dealer Rules, and Manual Broker-Dealer Rules] (VII) to 24(d) [PDAX TRADE AND CONVERSION SERVICES – Cancelling Orders] of the Terms and Conditions shall also apply to transactions involving FIS Services implemented using the FIS System, insofar as they do not pertain to any material broker-dealer activity or service that can only be performed by the FIS Partner.

9. DISPUTE RESOLUTION

- a. Any dispute or complaint pertaining to the FIS Services shall be resolved solely between you and the FIS Partner in accordance with the FIS Partner's terms and conditions and policies.
- b. Where PDAX is involved in a Dispute between you and the FIS Partner, you agree to negotiate with the FIS Partner and PDAX in good faith to resolve the Dispute, which discussions shall remain confidential and be subject to applicable rules protecting settlement discussions from use as evidence in any legal proceeding, before commencing any arbitration as set out in Clause 16(c) of the Terms and Conditions or any formal litigation, arbitration, or other dispute resolution mechanism under the FIS Partner's own rules and regulations.
- c. In case of any conflict between PDAX's and the FIS Partner's dispute resolution procedures, you agree to be bound by the dispute resolution procedures under paragraph 16 of the Terms and Conditions and by any other relevant provisions thereof in relation to PDAX's Services.

10. FEES

The FIS Partner may charge fees other than those charged by PDAX. Total estimated fees for transactions shall be reflected in the PDAX Platform before you confirm instructions. Additional fees, including broker fees may be charged to you, for which PDAX may hold and appropriate such amounts in Fiat Currency as may be necessary in your PDAX account to satisfy the charges.

If you signed up for an FIS Account through a Partner Platform, the Partner may charge fees other than those charged by PDAX and the FIS Partner. These fees are solely between you

and the Partner. PDAX may charge fees different from those charged in regular, non-Partner accounts, which will be made known to you before you are charged.

11. DATA SHARING CONSENT

In conjunction with, and subject to, the Privacy Policy, you give PDAX consent to share your personal information and sensitive personal information to the FIS Partner, for the purpose of opening an FIS Account and availing of FIS Services. You also give PDAX consent to receive personal information, sensitive personal information, and other additional information given by you to the FIS Partner, from the FIS Partner for purposes of enabling PDAX to provide you the Services.