



Underwriter's / Selling Agent's Control #: _____

1 st Copy	Registrar
2 nd Copy	Underwriter / Selling Agent
3 rd Copy	Applicant

Series B Bonds due 2023
with an interest rate of 4.5219% per annum

APPLICATION TO PURCHASE

This Application to Purchase (an "Application") Series B Bonds due 2023 (forming part of the "Offer Bonds"), together with all the required attachments, must be prepared and completed in all parts by a person (whether natural or juridical) who seeks to subscribe to the Bonds (the "Applicant"). Any Application submitted by a prospective purchaser must be for a minimum denomination of ₱50,000 and in integral multiples of ₱10,000 thereafter. The Offer Bonds will be issued by Petron Corporation ("Petron" or the "Issuer") and recorded in the electronic Registry of Bondholders maintained by the Philippine Depository & Trust Corp. ("PDTC" or the "Registrar and Paying Agent") and shall be subject to the rules and regulations of the Registrar and Paying Agent ("PDTC Rules"). This Application is irrevocable and, once duly accomplished and submitted, may not be withdrawn by the Applicant. Completed Applications, in triplicate, all the required attachments and corresponding payments must reach the underwriters and selling agents not later than 5:00 p.m. on October 19, 2016, which is the end of the Offer Period, or such earlier date as may be specified by the underwriters. Acceptance by the underwriters and selling agents of the completed Application shall be subject to the availability of the Offer Bonds and the acceptance by Petron. In the event that any check payment is returned by the drawee bank for any reason whatsoever or the nominated bank account to be debited is invalid, the Application shall be automatically cancelled and any prior acceptance of the Application shall be deemed revoked. Applications and payments received after said date or submitted without the required attachments or payments will be rejected. Any Application improperly or incompletely accomplished may likewise be rejected. The joint lead underwriters and bookrunners appointed for the offer of the Offer Bonds (the "Joint Lead Underwriters and Bookrunners"), on behalf of the Issuer, reserve the right to accept or reject this Application, and in case of oversubscription, allocate the Offer Bonds available to the applicants in a manner they deem appropriate. The foregoing notwithstanding, the deadline for the submission of the duly completed Applications to the underwriters and selling agents, if any, may be moved to an earlier date at the sole and absolute discretion of the Issuer and the Joint Lead Underwriters without prior notice.

This Application, once accepted, shall constitute the duly executed purchase agreement covering the amount of the Offer Bonds so accepted and shall be valid and binding on the Issuer and the Applicant. Once accepted, an Application may not be unilaterally revoked or cancelled by the Applicant, in full or in part, and the rights and privileges pertaining thereto shall be non-transferable.

Name of Applicant: (Last, First, M.I. / Business Name)*		Type of Investor: <input type="checkbox"/> Individual <input type="checkbox"/> Corporate / Institutional	
I/We (the "Applicant") hereby apply to purchase the following principal amount of the Offer Bonds (the "Purchase Price"), subject to the PDTC Rules, the Terms and Conditions as such term is defined in the Trust Agreement dated October 12, 2016, the Prospectus dated October 12, 2016 (the "Prospectus") and the Offer Supplement dated October 12, 2016 (the "Offer Supplement") distributed or made available by Petron, the underwriters and selling agents in relation to the offer and sale of the Offer Bonds.			
Amount in Words		Amount in Figures	
		₱	
Mode of Payment for the Offer Bonds: <input type="checkbox"/> Real Time Gross Settlement (RTGS) <input type="checkbox"/> Manager's or Cashier's /Personal/Corporate Check No. _____ <input type="checkbox"/> Debit Peso Current/Savings Account Number _____ with _____ Bank, _____ Branch			
Permanent Address:*		Present Mailing Address (if different from Permanent Address):*	
Telephone Number/s:		E-Mail Address (Please fill-in only if you specifically consent to e-mail communications in receiving notices, statements or other communications. Provisions on Notices under the Terms & Conditions will apply):	
Fax Number/s:			
Primary Contact Person (if other than Applicant):		Relationship of Primary Contact Person to Applicant:	
Date of Birth / Incorporation (mm/dd/yyyy):*		Place of Birth / Incorporation:*	
Nationality:*		Tax Identification Number:*	
Nature of Work or Business/Principal Business of the Corporation:*		Name of Employer/ Business:*	
Sources of Income:*		Tax Status: <input type="checkbox"/> Individual - Taxable <input type="checkbox"/> Domestic Corporation - Taxable <input type="checkbox"/> Tax Exempt** <input type="checkbox"/> Foreign investor** <input type="checkbox"/> Non-resident individual not engaged in business <input type="checkbox"/> Non-resident individual engaged in business <input type="checkbox"/> Resident foreign corporation <input type="checkbox"/> Non-resident foreign corporation ** If availing of tax treaty, subject to submission of documentary proof of exemption or reduced taxation, as applicable.	
Mode of Collection of Interest and Principal Payments: I/We hereby unconditionally instruct and authorize the Paying Agent to cause the payments of interest and principal on the Offer Bonds net of applicable taxes, fees and cost to be paid to the Bondholders via the following: <input type="checkbox"/> Real Time Gross Settlement (RTGS) <input type="checkbox"/> Credit PISO current/savings account number _____ (the "Cash Settlement Account") with _____ branch _____ ("the Cash Settlement Bank"). All payments under the Offer Bonds shall be credited to the Cash Settlement Account. I/We shall be responsible for ensuring that this account is open, active and existing, otherwise, I/we shall be liable for any fees or charges that may be imposed by the Cash Settlement Bank or that may otherwise be incurred by the Registrar and Paying Agent in crediting payments of interest or principal to my/our account. This shall remain valid and effective unless expressly revoked in writing by me/us in the manner prescribed under relevant rules and/or agreements. <i>*The Cash Settlement Bank must be a PDS-registered bank.</i> <i>In the event that the details of the Cash Settlement Account are incomplete or erroneous, or the Cash Settlement Account of the Bondholders has been closed, dormant, or inexistent, due to which payments to the Bondholders cannot be effected in a timely manner, and the Paying Agent does not receive any notice from the Bondholder as described in herein, the Cash Settlement Bank shall handle such funds in accordance with its own internal procedures until the correction in the Cash Settlement Bank is effected and until credit of the relevant cash entitlement is completed. In these cases, the Issuer and the Registrar and the Paying Agent shall not be liable to the relevant Bondholder for any failure or delay in the Bondholder's receipt of such payments.</i>		Statement, Notices & Correspondence Delivery Mode: <input type="checkbox"/> Delivery via electronic mail to the email address indicated above <input type="checkbox"/> Delivery via courier (Metro Manila area only) or registered mail to the mailing address indicated above COMMUNICATIONS (E-mail Indemnity): By indicating the email address, I/we consent to receive all notice and communications via email, and such consent shall operate as a waiver of my/our right and privilege to the secrecy of bank deposits in respect of such statements or notices. I/we acknowledge that security of any statement, notice or communication sent through electronic means is not guaranteed and I/we assume all risks in relation to its transmission. I/We are responsible for keeping such email access active and existing during the term of the Offer Bonds, otherwise, I/we shall be liable for any fees or charges that may be imposed or incurred in transmitting or re-transmitting such communication via electronic means.	
If a Corporation, please fill out Additional Required Information below: (Please use additional sheets if necessary):			
Name of Parent Company, if Any:		Names of Stockholders Owning at Least 2% of the Authorized Capital Stock:*	
Names of Directors:*		Address of Beneficial Owner:	
Name of Beneficial Owners of Applicant, if any:*			
* Required to be filled up under Republic Act No. 9160, Republic Act No. 9194 and BSP Circular Nos. 251, 253 and 279, and all other amendatory and implementing law, regulation, jurisprudence, notice or order of any Philippine governmental body relating thereto.			

REPRESENTATION, WARRANTIES AND AUTHORIZATION

In executing this Application, the Applicant represents and warrants, under penalty of law, that all information contained herein (including its tax status) and the required attachments are true and correct and that the signatures thereon are genuine, properly authorized, and obtained without use of fraud, coercion or any other vice of consent. The Applicant agrees to immediately notify the Issuer and the Registrar and Paying Agent, either directly or through any of the underwriters and selling agents, if anything occurs which renders or may render untrue or incorrect in any respect any of the information given herein (including information given with respect to the Applicant's tax status) or any of its representations or warranties. The Applicant understands that any of the underwriters, selling agents, the Registrar and Paying Agent and the Issuer will rely solely on its representations and warranties set forth herein including, without limitation, its declaration of its tax status, including, if applicable, its tax-exempt status in processing payments due to it under the Offer Bonds. The Applicant agrees to indemnify and hold any of the underwriters, the selling agents, the Registrar and Paying Agent, and the Issuer free and harmless against any and all claims, actions, suits, damages, and liabilities resulting from the non-withholding of the required tax due to the representations as indicated in this Application to Purchase, any misrepresentation contained herein or any reliance on the confirmations contained herein. The Applicant likewise authorizes the Registrar and Paying Agent to verify the information stated in this Application from any and all sources and in any and all manner, including but not limited to, requesting information contained herein from the underwriter or selling agent regarding the Applicant's account/s with the said underwriter or selling agent (as applicable). By giving authority to the Registrar and Paying Agent and by signing this application, the Applicant hereby waives its right to privacy of information or confidentiality that may exist by law or by contract, and allows the underwriters and selling agents to disclose all information as may be required by the Issuer and the Registrar and Paying Agent, solely and exclusively for the limited purpose of enabling the Registrar and Paying Agent to determine the eligibility of the Applicant and update such information, with respect to the information contained herein. The Applicant warrants that the Applicant (or its authorized signatory) has read and understood the PDTC Rules, the Terms and Conditions, the Prospectus and the Offer Supplement distributed or made available by Petron and the underwriters and selling agents in relation to the offer and sale of the Offer Bonds, and unconditionally accepts the same. The Applicant agrees to indemnify and hold the Registrar and Paying Agent, the Issuer, the underwriters and the selling agents, free and harmless from and against any and all liabilities, damages, penalties, judgments, suits, expenses and other costs of any kind or nature arising from any act or omission pertinent to their respective obligations under the Offer Bonds, unless such act or omission was committed with gross negligence or willful misconduct. The Applicant further agrees that completion of this Application to Purchase constitutes an instruction and authority from the Applicant to the Issuer, the Registrar and Paying Agent, and/or underwriters and selling agents to execute any application form or other documents and generally to do all such other things and acts as the Issuer, the Registrar and Paying Agent, and/or underwriters and selling agents may consider necessary or desirable to effect registration of the Offer Bonds in the name of the Applicant.

Applicant's Full Name (in print): _____	Applicant's Authorized Signature/s: _____
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ACKNOWLEDGMENT AND ACCEPTANCE

Underwriter's or Selling Agent's Acceptance: <input type="checkbox"/> Acceptance	<input type="checkbox"/> Rejection due to _____
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Underwriter's or Selling Agent's Certification/Endorsement:

We received this Application, with all the required attachments below, at _____ a.m. / p.m. on _____.

We hereby warrant that:

- (a) The necessary know-your-client process was conducted on the Applicant pursuant to the Anti-Money Laundering Act and the amendments thereto ("AMLA") as well as its implementing rules and regulations ("IRR") and our own internal policies;
- (b) The identity of the Applicant was duly established pursuant to the AMLA and its IRR;
- (c) To the best of the undersigned's knowledge, all information provided to the Issuer and the Registrar and Paying Agent regarding the Applicant are true, complete, current and correct;
- (d) Any and all authorizations and waivers from the Applicant necessary for the undersigned underwriter or selling agent to disclose all information required by the Issuer and the Registrar and Paying Agent to determine the eligibility of the Applicant have been duly obtained; and
- (e) The Applicant's signature appearing herein is genuine and authentic and was herein affixed freely and voluntarily.

Underwriter / Selling Agent: _____	Underwriter's / Selling Agent's Authorized Signatory: _____ (Signature over printed name)	Underwriter's / Selling Agent's Authorized Signatory: _____ (Signature over printed name)
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REQUIRED ATTACHMENTS TO THIS APPLICATION

The Applicant shall submit properly completed Applications to Purchase, together with two signature cards, and the full payment of the purchase price of the Offer Bonds in the manner provided in the said Application to Purchase.

Corporate and institutional applicants must also submit, in addition to the foregoing:

- (a) an original notarized certificate of the corporate secretary or an equivalent officer of the Applicant setting forth resolutions of the board of directors, partners or equivalent body (i) authorizing the purchase of the Offer Bonds indicated in the Application to Purchase and (ii) designating the signatories, with their specimen signatures, for the said purposes;
- (b) copies of its Articles of Incorporation and By-Laws and latest amendments thereof, together with the Certificate of Incorporation issued by the SEC or other organizational documents issued by an equivalent government institution, stamped and signed as certified true copies by the SEC or the equivalent government institution, or by the corporate secretary, or by an equivalent officer(s) of the Applicant who is/are authorized signatory(ies);
- (c) two (2) duly accomplished signature cards containing the specimen signatures of the authorized signatories of the Applicant, validated by its corporate secretary or by an equivalent officer(s) who is/are authorized signatory(ies);
- (d) identification document(s) of the authorized signatories of the Applicant, as specified in item (a) of the immediately succeeding paragraph below; and
- (e) such other documents as may be reasonably required by any of the underwriters or the Registrar in the implementation of its internal policies regarding "know your customer" and anti-money laundering.

IF THE APPLICANT IS AN INDIVIDUAL:

Individual applicants must also submit, in addition to accomplished Applications to Purchase and its required attachments:

- (a) identification document ("ID") of the Applicant which shall consist of any one of the following valid identification documents bearing a recent photo, and which is not expired: Passport, Driver's License, Professional Regulation Commission ID, National Bureau of Investigation Clearance, Police Clearance, Postal ID, Voter's ID, Barangay Certification, Government Service Insurance System e-Card, Social Security System Card, Senior Citizen Card, Overseas Workers Welfare Administration ID, OFW ID, Seaman's Book, Alien Certification of Registration/Immigrant Certificate of Registration, Government Office and government-owned and controlled corporation ID, e.g., Armed Forces of the Philippines, Home Development Mutual Fund, Certification from the National Council for the Welfare of Disabled Persons, Department of Social Welfare and Development Certification, Integrated Bar of the Philippines ID, company IDs issued by private entities or institutions registered with or supervised or regulated either by the BSP, SEC or the Insurance Commission, or school ID duly signed by the principal or head of the school (for students who are beneficiaries of remittances/fund transfers who are not yet of voting age);
- (b) two duly accomplished signature cards containing the specimen signature of the Applicant; and
- (c) such other documents as may be reasonably required by any of the underwriters or the Registrar in implementation of its internal policies regarding "know your customer" and anti-money laundering.

In addition to the foregoing, all Applicants are required to provide their validly issued tax identification numbers issued by the BIR. The Applicant understands that the Registrar will not issue a Registry Confirmation nor will any Bondholder be allowed to sell or transfer the Offer Bonds until such Bondholder shall have submitted to the Registrar all the documents required for the issuance of such Offer Bonds.

An Applicant claiming exemption from any applicable tax, or is subject to a preferential withholding tax rate shall, in addition to the requirements set forth above, be required to submit the following requirements, subject to acceptance by the Issuer, as being sufficient in form and substance:

- (a) a current and valid BIR-certified true copy of the tax exemption certificate, ruling or opinion addressed to the relevant applicant or Bondholder, confirming its exemption or preferential rate, as required under BIR Revenue Memorandum Circular No. 8-2014 including any clarification, supplement or amendment thereto;
- (b) with respect to tax treaty relief, a copy of the duly filed tax treaty relief application with the International Tax Affairs Division of the BIR as required under the BIR Revenue Memorandum Order No. 72-2010; including any clarification, supplement or amendment thereto and, once available, a BIR-certified certificate, ruling or opinion addressed to the relevant applicant or Bondholder confirming its entitlement to the preferential tax rate under the applicable treaty;
- (c) a duly notarized undertaking executed by (1) the corporate secretary or any authorized representative of such applicant or Bondholder, who has personal knowledge of the exemption based on his official functions, if the applicant purchases, or the Bondholder holds, the Offer Bonds for its account, or (2) the trust officer, if the applicant is a universal bank authorized under Philippine law to perform trust and fiduciary functions and purchase the Offer Bonds pursuant to its management of tax-exempt entities (i.e. Employee Retirement Fund, etc.), declaring and warranting such entities' tax-exempt status or preferential rate entitlement, undertaking to immediately notify the Issuer, the Registrar and the Paying Agent of any suspension or revocation of the tax exemption certificate, certificate, ruling or opinion issued by the BIR, executed using the prescribed form, with a declaration and warranty of its tax exempt status or entitlement to a preferential tax rate, and agreeing to indemnify and hold the Issuer, the Registrar and the Paying Agent free and harmless against any claims, actions, suits, and liabilities resulting from the non-withholding or incorrect withholding of the required tax; and
- (d) such other documentary requirements as may be required under the applicable regulations of the relevant taxing or other authorities which for purposes of claiming tax treaty withholding rate benefits, shall include evidence of the applicability of a tax treaty and consularized proof of the Bondholder's legal domicile in the relevant treaty state, and confirmation acceptable to the Issuer that the Bondholder is not doing business in the Philippines; provided that the Issuer shall have the exclusive discretion to decide whether the documents submitted are sufficient for purposes of applying the exemption or the reduced rate being claimed by the Bondholder on the interest payments to such Bondholder; provided further that, all sums payable by the Issuer to tax exempt entities shall be paid in full without deductions for taxes, duties, assessments or government charges, subject to the submission by the Bondholder claiming the benefit of any exemption of the required documents and of additional reasonable evidence of such tax-exempt status to the Registrar.

CERTAIN RELEVANT INFORMATION CONCERNING THE OFFERING OF THE OFFER BONDS

Unless otherwise expressly stated or the context provides otherwise, all terms used herein shall have the meaning ascribed to them in the Offer Supplement. The information set forth below is an incomplete summary of certain terms of the Offer and are qualified by such terms and conditions set out in the Offer Supplement in every respect. Full information on the Issuer and the Offer is only available on the basis of the combination of the Offer Supplement, the Prospectus and the Bond Agreements. In case of conflict between the terms of this Application and the terms of any of the Bond Agreements, the terms of the Bond Agreements shall prevail. Applicants wishing to purchase the Offer Bonds should read the Offer Supplement, the Prospectus and the Bond Agreements. The Issuer and the underwriters have not provided any other information and do not make any representations in respect of the Offer except as contained in the Offer Supplement, the Prospectus and Registration Statement.

OFFER BONDS. Petron Corporation ("Petron" or the "Issuer" or the "Company") is offering fixed rate bonds with aggregate principal amount of ₱15,000,000,000 with an oversubscription option of up to ₱5,000,000,000 (the "Offer Bonds") which shall form part of the Company's shelf registration with the SEC of the Bonds with an aggregate principal amount of up to ₱40,000,000,000. The Offer Bonds will be issued in two (2) Series. The Series A Bonds shall have a term beginning on October 27, 2016 (the "Issue Date") and ending five (5) years from the Issue Date or on October 27, 2021, with a fixed interest rate equivalent to 4.0032% per annum. The Series B Bonds shall have a term beginning on the Issue Date and ending seven (7) years from the Issue Date or on October 27, 2023, with a fixed interest rate equivalent to 4.5219% per annum. The Offer Bonds shall be offered at the price equal to 100% of the face value thereof (the "Purchase Price"). The Offer Bonds shall constitute the direct, unconditional, unsecured and unsubordinated Peso-denominated obligations of Petron, ranking at least *pari passu* and ratably without any preference or priority among themselves and with all its other present and future direct, unconditional, unsecured and unsubordinated obligations (other than obligations preferred by law).

FORM, TRADING AND DENOMINATION. The Offer Bonds will be issued in scripless form using the scripless book-entry system of PDTC. Legal title to the Offer Bonds will be shown in the Register of Bondholders. A notice confirming the principal amount of the Offer Bonds purchased by each applicant in the offer for sale, distribution and issuance of the Offer Bonds by the Issuer will be issued by the Registrar to all Bondholders after the Issue Date. The Issuer will cause the Register of Bondholders to be kept by the Registrar, in electronic form. The names and addresses of the Bondholders and the particulars of the Offer Bonds held by them and of all transfers and assignments of the Offer Bonds, including any liens and encumbrances thereon, shall be entered into the Register of Bondholders. As required by Circular No. 428-04 issued by the BSP, the Registrar shall send each Bondholder a written statement of registry holdings at least every quarter (at the cost of the Issuer) and a written advice confirming every receipt or transfer of the Offer Bonds that is effected in the Registrar's system (at the cost of the relevant Bondholder). Such statement of registry holdings shall serve as the confirmation of ownership of the relevant Bondholder as of the date thereof. Any requests of Bondholders for certifications, reports or other documents from the Registrar, except as provided herein, shall be for the account of the requesting Bondholder. No transfer of the Offer Bonds may be made during the period commencing on a Record Date as defined in the Section on "Interest Payment Date" of the Terms and Conditions of the Offer Bonds until the relevant payment date.

The Offer Bonds may be transferred upon exchange of confirmation of sale and confirmation of purchase, or by book entry in recording platforms maintained by approved securities dealers. The Registrar shall ultimately and conclusively determine all matters regarding the evidence necessary to effect any such transfer. Settlement with respect to such transfer or change of title on the Offer Bonds, including the settlement of any documentary stamp taxes, if any, arising from subsequent transfers, shall be settled directly between the transferee and/or the transferor Bondholders.

The Issuer intends to list the Offer Bonds in PDEX for secondary market trading. Secondary market trading in PDEX shall follow the applicable PDEX Rules and conventions and guidelines, including rules, conventions and guidelines governing trading and settlement between Bondholders of different tax status, and shall be subject to the relevant fees of PDEX and PDTC, all of which shall be for the account of the Bondholders.

The Offer Bonds will be offered and issued in denominations of ₱50,000.00 each, as a minimum, and in multiples of ₱10,000.00 in excess thereof. The Offer Bonds shall be traded in a minimum board lot size of ₱10,000.00 as a minimum, and in multiples of ₱10,000.00 in excess thereof for so long as any of the Offer Bonds are listed in PDEX.

TRANSFERS; TAX STATUS. Subject to the provisions of the Registry and Paying Agency Agreement and the Section on "Interest Payment Dates" in the Offer Supplement, Bondholders may transfer their Offer Bonds at any time, regardless of the tax status of the transferor vis-à-vis the transferee. 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 entities that are not tax-exempt shall be treated as not tax-exempt for the interest period within which such transfer occurred.

A Bondholder claiming tax-exempt status is required to submit a written notification of the sale or purchase to the Trustee and the Registrar, including the tax status of the transferor or transferee, as appropriate, together with the supporting documents specified under the Registry and Paying Agency Agreement within three (3) Business Days from the settlement date for such transfer. Transfers taking place in the Registry of Bondholders after the Offer Bonds are listed on PDEX shall be allowed between tax-exempt entities and entities that are not tax-exempt without restriction and observing the tax exemption of tax-exempt entities, if and/or when so allowed under and in accordance with the relevant rules, conventions and guidelines of PDEX and PDTC.

OFFER PERIOD. The Offer shall commence at 9:00 a.m. on October 13, 2016 and end at 5:00 p.m. on October 19, 2016 or such other date as may be determined by the Issuer, the Joint Issue Managers, and the Joint Lead Underwriters and Bookrunners.

ISSUE DATE. The Offer Bonds will be issued on October 27, 2016 or on such other date as the Issuer and the Joint Lead Underwriters and Joint Bookrunners may agree in writing; provided, that such date shall be a date, which is within the validity of the Permit to Sell Securities.

APPLICATION AND PAYMENT FOR THE OFFER BONDS. All Applications to Purchase the Offer Bonds shall be evidenced by a duly completed and signed Application to Purchase, together with two fully executed signature cards validated by the Corporate Secretary or any equivalent officer(s) who is/are authorized signatory(ies) with respect to corporate and institutional applicants. The purchase price must be paid in full in Pesos upon the submission of the duly completed and signed Application to Purchase and signature card together with the requisite attachments. Payment for the Offer Bonds shall be made either by: (i) a personal or corporate check drawn against an account with an authorized bank of the Bangko Sentral ng Pilipinas ("BSP") at any of its branches located in Metro Manila; or (ii) a manager's or cashier's check issued by an authorized bank. All checks should be made payable to the relevant underwriter or selling agent from whom the Bonds will be purchased and dated the same date as the Application. The Application and the related payments will be received at the office of the relevant underwriter or selling agent. Applicants submitting their Application to an underwriter or selling agent may also remit payment for their Bonds through the Real Time Gross Settlement ("RTGS") facility of the BSP to the relevant underwriter or selling agent to whom such Application was submitted or via direct debit to their deposit account maintained with the designated Cash Settlement Bank. Cash payments shall not be accepted.

Should the Applicant elect to pay through RTGS, the Application should be accompanied by an instruction issued by the Applicant to effect payment through RTGS in an amount equal to the total Offer Price of the Offer Bonds applied for, to be effected and fully funded not later than 12:00 noon on October 14, 2016. Should the Applicant elect to pay by a debit memo or instruction, the Application should be accompanied by a debit memo or instruction issued by the Applicant in an amount equal to the total Offer Price applied for in favor of the relevant underwriter or selling agent to whom the Application is submitted, to be effected no later than 5:00 p.m. on October 19, 2016. Applications to Purchase shall be subject to the availability of the Offer Bonds and acceptance by the Issuer.

REFUNDS. In the event an Application is rejected or the amount of the Offer Bonds applied for is scaled down, the relevant underwriter or selling agent, upon receipt of the allocation report, shall notify the applicant concerned that his application has been rejected or that the amount of the Offer Bonds applied for is scaled down. Payments made by the applicants whose Applications are rejected or scaled down will be returned to them no later than three (3) Business Days after the Issue Date by the relevant underwriter or selling agent to whom the Application was submitted, in full (in case of a rejection) or in a proportionate sum corresponding to the amount of the Offer Bonds partially rejected (in case of a scale down), but in both instances without any interest whatsoever.

BOND RATING. The Offer Bonds have been rated PRS Aaa by PhilRatings. The rating is subject to regular annual review, or more frequently as market developments may dictate, for as long as the Offer Bonds are outstanding.

REGISTRATION. The SEC has issued a Permit to Sell in respect of the Offer Bonds.

PRINCIPAL REPAYMENT. The Offer Bonds will be redeemed at par or 100.00% of their face value on their respective Maturity Dates, unless earlier redeemed by the Company.

INTEREST RATE. The Interest Rate is as stated at the front page of this Application to Purchase. Interest on the Offer Bonds shall be calculated on a 30/360-day count basis and shall be paid quarterly in arrears starting on January 27, 2017 for the first Interest Payment Date, and April 27, July 27, October 27 and January 27 of each year thereafter or the next Banking Day if such date is not a Banking Day, during which any of the Offer Bonds is outstanding, without adjustment for accrued interest.

INTEREST AND MATURITY PAYMENTS. The principal of, interest on, and all other amounts payable on the Offer Bonds shall be paid to the Bondholders through the Paying Agent by crediting the proper amounts received from the Company via RTGS, net of final taxes and fees (if any), to the Cash Settlement Bank of the Bondholder for onward remittance to the Cash Settlement Account of the Bondholder with the Cash Settlement Bank.

TAXATION. Interest income on the Offer Bonds is subject to a withholding tax at rates between 20% and 30% depending on the tax status of the relevant Bondholder under relevant law, regulation or tax treaty. Except for such withholding tax and as otherwise provided, all payments of principal and interest are to be made free and clear of any deductions or withholding for or on account of any present or future taxes or duties imposed by or on behalf of the Republic of the Philippines, including, but not limited to, issue, registration or any similar tax or other taxes and duties, including interest and penalties, if any. If such taxes or duties are imposed, the same shall be for the account of the Issuer; provided however that, the Issuer shall not be liable for the following:

- (a) The withholding tax applicable on interest earned on the Offer Bonds prescribed under the Tax Code, as amended, and its implementing rules and regulations as may be in effect from time to time; provided, further, that all Bondholders are required to provide the Issuer through the Paying Agent their validly issued tax identification numbers issued by the BIR.
- (b) Gross Receipts Tax under Section 121 of the Tax Code;
- (c) Taxes on the overall income of any securities dealer or Bondholder, whether or not subject to withholding;
- (d) Value-Added Tax under Sections 106 to 108 of the Tax Code, and as amended by Republic Act No. 9337; and
- (e) Any applicable taxes on any subsequent sale or transfer of the Offer Bonds by any holder which shall be for the account of such holder (or its buyer, as the holder and the buyer may have agreed upon).

Documentary stamp tax for the primary issue of the Offer Bonds and the execution of the Bond Agreements, if any, shall be for the Issuer's account.

Bondholders who are exempt from or are not subject to final withholding tax on interest income or are covered by a lower final withholding tax rate by virtue of a tax treaty may claim such exemption or lower rate, as the case may be, by submitting the necessary documents as required by under the applicable regulations of the relevant taxing or other authorities and/or the Issuer.

REDEMPTION.

- (a) **Final Redemption.** Unless otherwise earlier redeemed or previously purchased and cancelled, the Offer Bonds shall be redeemed at par (or 100% of face value) and paid together with the accrued interest thereon on the relevant Maturity Dates of the Offer Bonds.
- (b) **Optional Redemption.** Prior to the relevant Maturity Date of the Offer Bonds, the Issuer shall have a one-time option for each of the Series A Bonds and Series B Bonds, but shall not be obligated, to redeem in whole and not in part only, the outstanding Series A Bonds or Series B Bonds, as applicable, on an Optional Redemption Date at the Optional Redemption Price.

- (c) **Redemption for Taxation Reasons.** If payments under the Offer Bonds become subject to additional or increased taxes other than the taxes and rates of such taxes prevailing on the Issue Date as a result of certain changes in law, rule or regulation, or in the interpretation thereof, and such additional or increased rate of such tax cannot be avoided by use of reasonable measures available to the Issuer, the Issuer may redeem the relevant Offer Bond series in whole, and not in part only, on any Interest Payment Date (having given not more than sixty (60) nor less than thirty (30) days' notice) at par (or 100% of face value) and paid together with the accrued interest thereon, subject to the requirements of Applicable Law; provided that if the Issuer does not redeem the Offer Bonds then all payments of principal and interest in respect of the Offer Bonds shall be made free and clear of, and without withholding or deduction for, any such new or additional taxes, duties, assessments or governmental charges, unless such withholding or deduction is required by law. In that event, the Issuer shall pay to the Bondholders concerned, such additional amount as will result in the receipt by the Bondholders of such amounts as would have been received by them had no such withholding or deduction for new or additional taxes been required.
- (d) **Redemption by Reason of Change in Law or Circumstance.** Upon the occurrence of a Change in Law or Circumstance, the Issuer shall provide the Trustee an opinion of legal counsel confirming the occurrence of any Change in Law or Circumstance and the consequences thereof, such legal counsel being from a law firm reasonably acceptable to the Trustee. Thereupon, the Trustee, after consultation with the Issuer and, in any case, within five (5) days after receipt of such notice from the Issuer, shall give to the Issuer and all the Bondholders written notice of such Change in Law or Circumstance. Within thirty (30) days from such notice (the "Cure Period"), the Issuer shall use reasonable measures available to it to remedy the Change in Law or Circumstance so that the same event shall cease. The Issuer shall also have the option to redeem in whole, but not in part, the Offer Bonds at par (or 100% of face value) and paid together with the accrued interest thereon, exercisable within the Cure Period by giving not more than sixty (60) nor less than thirty (30) (or such shorter period prescribed by Applicable Law, if any) days' notice.
After the lapse of the Cure Period with the Change in Law or Circumstance continuing and without the Issuer giving notice of exercise of its option to redeem under this Section, the Majority Bondholders may, by notice in writing delivered to the Issuer through the Trustee, declare the Offer Bonds, including the accrued interest thereon, to be immediately due and payable, and upon such declaration the same shall be immediately due and payable within thirty (30) days after receipt of such notice (or such shorter period prescribed by Applicable Law, if any), without any prepayment penalty.
- (e) **Redemption by Reason of Change of Control.** Upon the occurrence of a Change of Control, Bondholders holding at least two-thirds (2/3) of the outstanding principal amount of the Offer Bonds may require the Issuer to redeem the Offer Bonds at par (or 100% of face value), which shall be paid together with the accrued interest thereon. Within fifteen (15) days following a Change of Control, the Issuer shall notify the Trustee, which shall, in turn, notify the Bondholders (i) that a Change of Control has occurred and that the Bondholders holding at least two-thirds (2/3) of the outstanding principal amount of the Offer Bonds may require the Issuer to redeem all (but not some) of the Offer Bonds, and (ii) the date set by the Issuer for such redemption (which shall not be earlier than thirty (30) days and no later than sixty (60) days from the date notice is received by the Trustee). The decision of the Bondholders holding at least two-thirds (2/3) of the outstanding principal amount of the Offer Bonds shall be conclusive and binding upon all the Bondholders.

PURCHASE AND CANCELLATION. The Issuer may purchase the Offer Bonds at any time in the open market or by tender or by contract, in accordance with PDEX Rules, without any obligation to make pro rata purchases from all Bondholders. Offer Bonds so purchased shall be redeemed and cancelled and may not be re-issued.

COMMUNICATIONS: The Applicant acknowledges that the Registrar and Paying Agent do not guarantee the security of any notice, statement, instruction, or other communication transmitted by facsimile or through electronic means, and, thus, agrees that the Registrar and Paying Agent is not liable for the complete and timely transmission thereof. The Applicant assumes all risks in relation to any communication transmitted by or to the Applicant by facsimile or electronic means and agrees that it shall have no recourse to the Registrar and the Paying Agent for any liability or damage arising from or in connection therewith, unless said liability or damage was caused by the Registrar and Paying Agent's fraud, evident bad faith, negligence, or willful omission. The Applicant shall indemnify the Registrar and Paying Agent from and against all actions, claims, demands, liabilities, obligations, losses, damages, costs (including without limitation, interest and reasonable legal fees) and expenses of whatever nature (whether actual or contingent) suffered, incurred, or threatened against the Registrar and Paying Agent arising from or in connection with the act of the Registrar in accepting and acting on any notice, statement, or instructions transmitted by facsimile or electronic means. By indicating the email address/es in the Registration Form, the Applicant, including its successors or/assigns, consent to receive notices and communications via email; and such consent shall operate as a waiver of the Applicant's right and privilege to the secrecy of bank deposits in respect of such statements/notices. The Applicant assumes all risks in relation to the transmission of any electronic communication transmitted to the Applicant and agrees that it shall have no recourse to the Registrar and Paying Agent for any liability or damage arising from or in connection with electronic transmission of information in respect of the Offer Bonds, unless said liability or damage was caused by the Registrar and Paying Agent's fraud, evident bad faith, negligence or willful omission. The Registrar and Paying Agent shall not responsible for monitoring and re-sending rejected electronically transmitted statements, notices, and communications. Requests for resending and/or for additional statements, notices, and/or advices shall be for the account of the Applicant. Transmittal of statements shall be in the frequency stipulated by the Issuer.

FEES: The Applicant understands and agrees that any transaction on the Offer Bonds which utilizes the services of PDTC as the Registrar and the Paying Agent, underwriter/broker, Cash Settlement Bank, or PDEX, and/or any service provider, as the case may be, may be subject to such fees and charges for which the Applicant or its counterparty may be accountable. A copy of the schedule of such fees is available from the appropriate service provider. The Applicant understands that PDTC may increase its fees and charges at its sole discretion in order to maintain the quality of its service. The Issuer and the Bondholder shall be informed of changes in fees at least 30 days prior to the effective date of any such change.

PDTC Rules: Each Bondholder acknowledges and hereby agrees to be bound by the registry rules and procedures of the Registrar and Paying Agent as the same may be amended from time to time.

THE OFFER BONDS AND THIS APPLICATION TO PURCHASE ARE GOVERNED BY AND SUBJECT TO THE PROSPECTUS, THE OFFER SUPPLEMENT AND THE TRUST AGREEMENT. THE APPLICANT MAY OBTAIN COPIES OF THE PROSPECTUS, THE OFFER SUPPLEMENT AND THE TRUST AGREEMENT, WHICH SHALL BE MADE AVAILABLE AT THE OFFICES OF UNDERWRITERS, AND THE OFFICE OF THE ISSUER AT SAN MIGUEL CORP. HEAD OFFICE COMPLEX, 40 SAN MIGUEL AVENUE, 1550 MANDALUYONG CITY, PHILIPPINES THROUGHOUT THE OFFER PERIOD DURING REGULAR BUSINESS HOURS.