**REPUBLIC OF THE PHILIPPINES
RETAIL TREASURY BONDS TRANCHE 24**

RETAIL SALES STRATEGY AND SELLING AGENCY FEE SCHEDULE

The following rules shall apply in determining eligibility for, and the calculation of, Selling Agency Fees due to Selling Agents in respect of their sales of new subscriptions of Retail Treasury Bonds Tranche 24 ("RTB-24" or the "Bonds") only, and shall not be applied for the Exchange Offer.

A. **Determination of Eligibility as Selling Agent**

A Dealer who is awarded/allocated Bonds in the amount of at least PhP500 Million (or the "Qualifying Volume") in the primary auction shall qualify as Selling Agent.

B. **Applicable Rate and Amount of Selling Agency Fees**

1. Selling Agents shall be entitled to a Selling Agency Fee computed based on total sales in excess of PhP500 Million and/or on the volume of individual sales, as detailed in the Fee Schedule.

   - Retail Sales Volume (RSV): Each Selling Agent shall be eligible to receive Selling Agency Fee equivalent to **5 basis points** of the allocated RSV (excluding the Qualifying Volume).

   - Individual Sales Volume (ISV): Each Selling Agent shall be eligible to receive Selling Agency Fee equivalent to **5 basis points** of the allocated ISV (excluding the Qualifying Volume). Sales to individuals coursed thru Trust and Private Banking arrangements such as retirement funds, provident funds, cooperatives and Investment Management Accounts (IMA) for individuals or families certified by a Trust Officer (in the form attached as Annex E-1) may be considered in the computation of the ISV.

   - If the total cumulative RSV and ISV is **equal or more than 20%** of the total allocated sales volume, each Dealer/Selling Agent shall be to receive additional Selling Agency Fee equivalent to **2.5 basis points** (excluding the Qualifying Volume).

   With reference to Annex F-2, sales from the RTB Online Channels shall form part of the Individual Sales Volume of the respective Selling Agent where the investor has nominated its Sponsoring GSED as defined in Annex A and will be eligible for the Selling Agency Fee as applicable.

2. The Selling Agency Fee shall be settled in accordance with Annex F of the Notice of Offering.

   The BTr reserves the right to review and validate the documents submitted by each Selling Agent, for purposes of computing the final Selling Agency Fee that such Selling Agent shall be entitled to receive.

   Should there be a difference in the BTr's calculation of the final Selling Agency Fee due to a particular Selling Agent and such Selling Agent's calculated amount reported in its Summary Sales Report (Annex F-2),

under Selling Agency Fee, the BTr shall inform such Selling Agent, and both parties shall enter into discussions to resolve the matter under reasonable terms. If the amount of Selling Agency Fee received by a Selling Agent is more than the amount that such Selling Agent is entitled to receive, such Selling Agent shall refund to the BTr the excess selling fee, if any, two (2) days after its discussion with the BTr. If the amount of Selling Agency Fee received by a Selling Agent is less than the amount that such Selling Agent is entitled to receive, the BTr shall pay to the Selling Agent the deficit of such Selling Agency Fee, if any, two (2) days after its discussion with such Selling Agent.

C. Sample Computation

Set out below are scenarios detailing how selling fees shall be computed.

SCENARIO A: Total % of ISV and RSV is less than 20% of the Total Sales Volume

Given Data		
Total Sales Volume	A	PHP 1,000,000,000
Retail Sales Volume (RSV)	B	PHP 100,000,000
Individual Sales Volume (ISV)	C	PHP 50,000,000
Total RSV and ISV	B + C	PHP 150,000,000
% Retail Sales Volume (RSV)	B / A = D	10%
% Individual Sales Volume (ISV)	C / A = E	5%
Total % of RSV and ISV	D + E	15%
Selling Fee for RSV	F	5.0 bps
Selling Fee for ISV	G	5.0 bps
Additional Fee if % RSV and ISV is at least 20%	H	2.5 bps

Retail Sales Volume (PHP)	Selling Fee for RSV (bps)	Fees on RSV (PHP)
B	F	B x F
100,000,000	5.0	50,000
Individual Sales Volume (PHP)	**Selling Fee for ISV (bps)**	**Fees on ISV (PHP)**
C	G	C x G
50,000,000	5.0	25,000
Total RSV and ISV (PHP)	**Additional Fee if % RSV and ISV is at least 20% (bps)**	**Fees on Total RSV and ISV (PHP)**
B + C	H	H x (B + C)
150,000,000	Not Applicable	0
	Total Fees (PHP)	**75,000**

SCENARIO B: Total % of RSV and ISV is equal to 20% of the Total Sales Volume

Given Data		
Total Sales Volume	A	PHP 1,000,000,000
Qualifying Volume (QV) (PHP)		PHP 500,000,000
Excess over QV (PHP)		PHP 500,000,000
Retail Sales Volume (RSV)	B	PHP 150,000,000
Individual Sales Volume (ISV)	C	PHP 50,000,000
Total RSV and ISV	B + C	PHP 200,000,000
% Retail Sales Volume (RSV)	B / A = D	15%
% Individual Sales Volume (ISV)	C / A = E	5%
Total % of RSV and ISV	D + E	20%
Selling Fee for RSV	F	5.0 bps

Selling Fee for ISV	G	5.0 bps
Additional Fee if % RSV and ISV is at least 20%	H	2.5 bps

Retail Sales Volume (PHP)	Selling Fee for RSV (bps)	Fees on RSV (PHP)
B	F	B x F
150,000,000	5.0	75,000
Individual Sales Volume (PHP)	**Selling Fee for ISV (bps)**	**Fees on ISV (PHP)**
C	G	C x G
50,000,000	5.0	25,000
Total RSV and ISV (PHP)	**Additional Fee if % RSV and ISV is at least 20% (bps)**	**Fees on Total RSV and ISV (PHP)**
B + C	H	H x (B + C)
200,000,000	2.5	50,000
	Total Fees (PHP)	**150,000**

SCENARIO C: Total % of RSV and ISV is greater than 20% Total Sales Volume

Given Data		
Total Sales Volume	A	PHP 1,000,000,000
Qualifying Volume (QV) (PHP)		PHP 500,000,000
Excess over QV (PHP)		PHP 500,000,000
Retail Sales Volume (RSV)	B	PHP 250,000,000
Individual Sales Volume (ISV)	C	PHP 250,000,000
Total RSV and ISV	B + C	PHP 500,000,000
% Retail Sales Volume (RSV)	B / A = D	25%
% Individual Sales Volume (ISV)	C / A = E	25%
Total % of RSV and ISV	D + E	50%
Selling Fee for RSV	F	5.0 bps
Selling Fee for ISV	G	5.0 bps
Additional Fee if % RSV and ISV is at least 20%	H	2.5 bps

Retail Sales Volume (PHP)	Selling Fee for RSV (bps)	Fees on RSV (PHP)
B	F	B x F
250,000,000	5.0	125,000
Individual Sales Volume (PHP)	**Selling Fee for ISV (bps)**	**Fees on ISV (PHP)**
C	G	C x G
250,000,000	5.0	125,000
Total RSV and ISV (PHP)	**Additional Fee if % RSV and ISV is at least 20% (bps)**	**Fees on Total RSV and ISV (PHP)**
B + C	H	H x (B + C)
500,000,000	2.5	125,000
	Total Fees (PHP)	**375,000**