

REPUBLIC OF THE PHILIPPINES)  
CEBU CITY ) S.S.

### SECRETARY'S CERTIFICATE

I, **ALAN C. FONTANOSA**, of legal age, Filipino, and with office address at 406 Keppel Center, Cardinal Rosales Ave. cor. Samar Loop, Cebu Business Park, Cebu City 6000, Philippines, after having been duly sworn in accordance with law, hereby certify that:

1. I am the Corporate Secretary of **CEBU LANDMASTERS, INC.** (the "**Corporation**"), a corporation duly organized and registered in accordance with the laws of the Republic of the Philippines, with principal office at 10<sup>th</sup> Floor, Park Centrale Tower, Jose Ma. Del Mar St., B2 L3, Cebu IT Park, Brgy. Apas, Cebu City, Philippines 6000.

2. At the special meeting of the Board of Directors held on January 8, 2024, at which a quorum was acting and present throughout, the following resolutions were duly adopted and approved by at least a majority of the Board of Directors of the Corporation:

**"RESOLVED** That, the Board of Directors of **CEBU LANDMASTERS, INC.** (the "**Corporation**") approve and authorize, as it hereby approves and authorizes, the Corporation's public offering (the "**Offer**") of up to 3,000,000 Series "A" Preferred Shares with an oversubscription option of up to 2,000,000 Series "A" Preferred Shares, to be issued from its unissued Series "A" Preferred Shares (collectively, the "**Offer Shares**") and to be issued at an offer price of Php1,000 per share. The Offer Shares which are redeemable starting on the 4th anniversary of the issue date, or on any Dividend Payment Date thereafter, will be denominated as Series A-1 Preferred Shares, while those which are redeemable starting on the 7th anniversary of the issue date, or on any Dividend Payment Date thereafter, will be denominated as Series A-2 Preferred Shares (for purposes of this Offer and unless the context otherwise provides, the Offer Shares may also be referred to as the "**Series A Preferred Shares**");

**"RESOLVED, FURTHER,** That the Board of Directors of the Corporation approve, as it hereby approves, the terms and conditions of the Offer Shares, attached herein as **Annex A**;

**"RESOLVED, FURTHER,** That the Board of Directors of the Corporation authorize, as it hereby authorizes:

- (a) The appointment of any or all of BPI Capital Corporation, China Bank Capital Corporation, PNB Capital and Investment Corporation, RCBC Capital Corporation, and/or any other entities as underwriters for the Offer; and
- (b) The engagement of other underwriters, issue managers, coordinators, arrangers, bookrunners, receiving agent, stock transfer agent, paying agent, other agents, counsels, advisors and/or other relevant persons or entities for the Offer;

**"RESOLVED FURTHER,** That the Board of Directors of the Corporation authorize, as it hereby authorizes, the Corporation to do the following acts:

- (a) Apply for and obtain the registration of the Offer Shares with the Philippine Securities and Exchange Commission ("**SEC**") and to make any and all required filings, including the preparation and filing of the Registration

Statement and Prospectus and any other documents as may be required by the SEC;

- (b) File an application with The Philippine Stock Exchange, Inc. (“PSE”) and obtain approval from the PSE for the listing of the Offer Shares, pursuant to the listing requirements of the PSE;
- (c) Adoption of an appropriate ticker or stock symbols for the trading of the Offer Shares on the PSE; and
- (d) Sign, execute and deliver any and all documents, contracts, agreements, and instruments as may be required or necessary in connection with the registration with the SEC, the listing with the PSE, the public offering of the Offer Shares, and other matters relating to any of the foregoing;

**“RESOLVED FURTHER**, That any of the following officers of the Corporation, acting singly be, as each of them is hereby, designated as representatives and signatories of the Corporation (the **“Authorized Representatives”**):

Name	Designation
Jose R. Soberano III	President & CEO
Ma. Rosario B. Soberano	Executive Vice-President & Treasurer
Jose Franco B. Soberano	Senior Executive Vice-President & COO
Beauregard Grant L. Cheng	Executive Vice-President & CFO
Joanna Marie S. Bergundthal	Senior Vice-President – Marketing & Asst. Treasurer

with authority to:

- (a) Negotiate and determine on the Corporation’s behalf the other terms and conditions for the Offer and sale of the Offer Shares and other matters relating to the Offer (including the terms and conditions of the appointment of the entities mentioned in the immediately preceding paragraphs, and including any amendments to the terms and conditions of the Offer Shares as set out in **Annex A** as may be required by the SEC and/or the PSE, or for purposes of clarification, correction or making certain adjustments, in each case without need of further confirmation or approval from the Board of Directors);
- (b) Sign and execute any and all such documents and to make any and all such certifications, instruments, certificates, notices and/or communications as may be necessary or desirable in connection with the Offer, sale and issuance of the Offer Shares, the filing of the Registration Statement with the SEC, the filing of the listing application with the PSE, and the appointment of the underwriters, agents, counsels, advisors, and third parties in connection with such Offer, sale and issuance, which agreements, documents and certifications shall include, but shall not be limited to, the Prospectus, the Registration Statement, the Application for Listing of Stocks, the Offer Term Sheet, the agreements with the stock transfer agent, the paying agent, and the receiving agent, the Listing Agreement, the continuing authorization to the SEC to examine the Corporation’s bank accounts and those of its subsidiaries, affiliates and control corporations, the mandate letters or engagement letters,

the Underwriting Agreement, as well as any amendments or supplements thereto;

- (c) Sign and/or dispatch all documents and notices to be signed by and/or dispatched by the Corporation under or in connection with the Offer; and
- (d) Take and execute such action/s in connection with the Offer as may be considered necessary or desirable to accomplish the purpose of these resolutions and to perform fully the transactions contemplated hereby;

**“RESOLVED, FINALLY,** That, without prejudice to the preceding paragraph, the authority of the following officers of the Corporation to sign the Registration Statement and such other documents as may be specifically required by Philippine law or regulation to be signed by them in connection with the registration and listing of the Offer Shares of the Corporation be, as it is hereby, confirmed: President and Chief Executive Officer (CEO), Chief Operating Officer (COO), Treasurer, Chief Financial Officer, and Corporate Secretary.”

3. The terms and conditions of the Offer Shares referred to in the afore-quoted resolutions are attached hereto as **Annex A**.

4. The foregoing resolutions are in full force and effect, the same not having been revoked, superseded, or modified.

5. I am executing this Certification in compliance with the requirements of The Philippine Stock Exchange, Inc. in respect of the application of the Corporation for the listing of up to 3,000,000 Series A Preferred Shares with an oversubscription option of up to 2,000,000 Series A Preferred Shares.

*[This portion is left intentionally blank. Signature page follows.]*


IN WITNESS WHEREOF, I hereby signed this affidavit this 8<sup>th</sup> day of January 2024 at Cebu City, Philippines.

  
**Alan C. Fontanosa**  
Corporate Secretary

BEFORE ME, a notary public in and for the city named above, personally appeared Alan C. Fontanosa, with UMID No. CRN-0111-0543334-8 at SSS, who was identified by me through competent evidence of identity to be the same person who presented the foregoing instrument and signed the instrument in my presence, and who took an oath before me as to such instrument.

Doc. No. 3;  
Page No. 2;  
Book No. 7;  
Series of 2024.



  
**ATTY. EDELINE O. COSICOL**  
Notary Public  
Notarial Commission No. 040-23, Cebu City  
Valid until December 31, 2024  
Roll of Attorneys No. 82445  
MCLE Compliance No. VIII-0000258, issued on 08-30-2022  
PTR No. 1233820; 01-03-2024; Cebu  
IBP No. 385698 ; 01-02-2024; Cebu Chapter  
19<sup>th</sup> Flr. Park Centrale Tower, J.M. Del Mar St.,  
Cebu I.T. Park, Apas, Cebu City



## ANNEX A

1.	<b>Issuer or the Company</b>	:	Cebu Landmasters, Inc. (also, "CLI")
2.	<b>Instrument</b>	:	Perpetual, cumulative, non-voting, non-participating, non-convertible, and redeemable Philippine Peso-denominated preferred shares to be issued from the Issuer's unissued Series "A" Preferred Shares with par value of ₱1.00 per share and in two subseries to be denominated as "Series A-1 Preferred Shares" and "Series A-2 Preferred Shares" (please refer to the additional description below).
3.	<b>Offer Size</b>	:	<p>Primary offering and sale of up to 3,000,000 Series "A" Preferred Shares ("<b>Firm Shares</b>") worth an aggregate issue amount of up to ₱3.0 billion ("<b>Base Offer</b>") with an oversubscription option of up to 2,000,000 Series "A" Preferred Shares ("<b>Oversubscription Option Shares</b>") worth an aggregate issue amount of up to ₱2.0 billion ("<b>Oversubscription Option</b>", and together with the Base Offer, the "<b>Offer</b>") to be offered in up to two subseries:</p> <p>(a) <i>[Initial Dividend Rate as may indicated in the Prospectus]</i>% per annum Series A-1 Preferred Shares ("<b>Series A-1 Preferred Shares</b>"), and</p> <p>(b) <i>[Initial Dividend Rate as may be indicated in the Prospectus]</i>% per annum Series A-2 Preferred Shares ("<b>Series A-2 Preferred Shares</b>"),</p> <p>(collectively, the "<b>Offer Shares</b>" or, for purposes of this Offer and unless the context otherwise provides, the "<b>Series A Preferred Shares</b>").</p> <p>The Issuer, in consultation with the Joint Lead Underwriters and Joint Bookrunners, shall have the discretion to allocate the Offer between the two subseries at the end of the Offer Period based on the results of bookbuilding.</p>
4.	<b>Base Offer</b>	:	Up to 3,000,000 Offer Shares
5.	<b>Oversubscription Option</b>	:	In the event of an oversubscription, the Joint Lead Underwriters and Joint Bookrunners, in consultation with the Issuer, reserve the right, but do not have the obligation, to increase the Offer size by up to 2,000,000 Offer Shares, subject to the applicable requirements of the Securities and Exchange Commission (" <b>SEC</b> ").
6.	<b>Offer Price</b>	:	₱1,000.00 per Offer Share
7.	<b>Registration and Listing</b>	:	<p>The Offer Shares are to be registered with the SEC and intended to be listed on the Main Board of The Philippine Stock Exchange, Inc. ("<b>PSE</b>"), subject to compliance with applicable SEC regulations and PSE listing rules.</p> <p>The Offer Shares will be listed and traded under the following trading symbols:</p>

			<p>(a) [Stock symbol as may be approved by the PSE and indicated in the Prospectus] for the Series A-1 Preferred Shares; and</p> <p>(b) [Stock symbol as may be approved by the PSE and indicated in the Prospectus] for the Series A-2 Preferred Shares.</p>
8.	<b>Dividend Payment Dates and Dividend Payment Computation</b>	:	<p>The Offer Shares will, subject to the dividend payment conditions (see below), bear cash dividends based on the Offer Price, payable quarterly in arrears on each dividend payment date as will be indicated in the Prospectus (each, a "<b>Dividend Payment Date</b>").</p> <p>As and if declared by the Issuer in accordance with the terms and conditions of the Offer Shares, dividends will be payable on each date of each year designated in the Prospectus as a Dividend Payment Date, being the last day of each three-month dividend period (a "<b>Dividend Period</b>").</p> <p>If the Dividend Payment Date is not a Business Day, dividends will be paid on the next succeeding Business Day, without adjustment as to the amount of dividends to be paid; provided that if the Issue Date is set at a date other than the specific date indicated in the Prospectus as the Issue Date, then the Dividend Payment Dates will be automatically adjusted to the numerically corresponding dates at every three months following the actual Issue Date.</p> <p>Dividends will be calculated on a 30/360-day basis.</p>
9.	<b>Initial Dividend Rate</b>	:	<p>The initial dividend rate (the "<b>Initial Dividend Rate</b>") for each subseries will be equivalent to the sum of the three-day simple average of the relevant PHP BVAL reference rate plus a Credit Spread. The Credit Spread will be determined via a bookbuilding process.</p> <p>The PHP BVAL reference rates for each subseries shall be as follows:</p> <ul style="list-style-type: none"> <li>• Series A-1 Preferred Shares: 4-year PHP BVAL</li> <li>• Series A-2 Preferred Shares: 7-year PHP BVAL</li> </ul> <p>"<b>BVAL</b>" means the Bloomberg Valuation Service.</p>
10.	<b>Dividend Rate Step-Up</b>	:	<p>Unless the Offer Shares are redeemed by the Issuer on these dates pursuant to the applicable optional redemption provisions, the Initial Dividend Rate shall be adjusted:</p> <p>(i) in respect of the Series A-1 Preferred Shares, on the 4<sup>th</sup> anniversary of the Listing Date (the "<b>Series A-1 Step-Up Date</b>"), and</p> <p>(ii) in respect of the Series A-2 Preferred Shares, on the 7<sup>th</sup> anniversary of the Listing Date (the "<b>Series A-2 Step-Up Date</b>"),</p> <p>respectively as follows:</p>

			<p>(a) for the Series A-1 Preferred Shares, the higher of the (i) Series A-1 Initial Dividend Rate; or (ii) the Series A-1 Step-Up Benchmark Rate (as hereinafter defined) plus 300 basis points; and</p> <p>(b) for the Series A-2 Preferred Shares, the higher of the (i) Series A-2 Initial Dividend Rate; or (ii) the Series A-2 Step-Up Benchmark Rate (as hereinafter defined) plus 300 basis points.</p>
11.	<b>Step-Up Benchmark Rate</b>	:	<p>The "<b>Step-Up Benchmark Rate</b>" will be equivalent to as follows:</p> <p>(a) for the Series A-1 Preferred Shares, the simple average of the 7-year PHP BVAL reference rate as published on the website of the Philippine Dealing System, or if unavailable, the Philippine Dealing &amp; Exchange Corp. or PDEX page of Bloomberg (or such successor website or page of the publication agent or electronic service provider) for each of the three Business Days immediately preceding and inclusive of the Series A-1 Step-Up Date (the "<b>Series A-1 Step-Up Benchmark Rate</b>"); and</p> <p>(b) for the Series A-2 Preferred Shares, the simple average of the 15-year PHP BVAL reference rate as published on the website of the Philippine Dealing System, or if unavailable, the Philippine Dealing &amp; Exchange Corp. or PDEX page of Bloomberg (or such successor website or page of the publication agent or electronic service provider) for each of the three Business Days immediately preceding and inclusive of the Series A-2 Step-Up Date (the "<b>Series A-2 Step-Up Benchmark Rate</b>").</p> <p>In the event that the BVAL reference rate is replaced by a new benchmark rate as determined by the Bankers Association of the Philippines ("<b>BAP</b>") or the <i>Bangko Sentral ng Pilipinas</i> ("<b>BSP</b>"), such new benchmark rate shall be adopted for purposes of determining the Dividend Rate (the "<b>New Benchmark Rate</b>"). In the absence of such New Benchmark Rate as determined by the BAP or the BSP and there is a mandatory directive by the BAP or the BSP to no longer use or apply BVAL, the Issuer and the Joint Lead Underwriters and Joint Bookrunners shall exert their best efforts to negotiate and adopt an alternative rate that will serve as the New Benchmark Rate.</p>
12.	<b>Conditions on Declaration and Payment of Cash Dividends</b>	:	<p>The Board of Directors of the Issuer has full discretion over the declaration and payment of dividends on the Offer Shares, to the extent permitted by law.</p> <p>The Board of Directors of the Issuer will not declare and pay dividends on any Dividend Payment Date where, in its opinion:</p> <p>(a) payment of the dividend would cause the Issuer to breach any of its financial covenants; or</p>



		<p>(b) the unrestricted retained earnings available to the Issuer for distribution as dividends are not sufficient to enable the Issuer to pay the dividends in full on all other classes of the Issuer's outstanding shares that are scheduled to be paid on or before any Dividend Payment Date and that have an equal right and priority to dividends as the Offer Shares.</p> <p>If the unrestricted retained earnings available to distribute as dividends are, in the Board of Directors' opinion, not sufficient to enable the Issuer to pay both dividends on the Offer Shares and the dividends on other shares that have an equal right and priority to dividends as the Offer Shares, in full and on the same date, then the Issuer may:</p> <ol style="list-style-type: none"> <li>(1) <i>first</i>, pay in full, or to set aside an amount equal to, all dividends scheduled to be paid on or before that dividend payment date on any shares with a right to dividends ranking higher in priority to that of the Offer Shares; and</li> <li>(2) <i>second</i>, to pay dividends on the Offer Shares and any other shares ranking equally with the Offer Shares as to participation in such retained earnings <i>pro rata</i> to the amount of the cash dividends scheduled to be paid to them. The amount scheduled to be paid will include the amount of any dividend payable on that date and any arrears on any past cumulative dividends on any shares ranking equal in priority with the Offer Shares to receive dividends.</li> </ol> <p>The retained earnings available for distribution are, in general and with some adjustments, equal to the Issuer's accumulated realized profits less accumulated, realized losses, and in general, are subject to the regulations of the SEC.</p> <p>The Issuer covenants that, in the event:</p> <ol style="list-style-type: none"> <li>(a) any cash dividends due with respect to any Offer Shares then outstanding for any period are not declared and paid in full when due;</li> <li>(b) where there remains outstanding arrears of dividends on any of the Offer Shares; or</li> <li>(c) any other amounts payable under the terms and conditions of the Offer Shares are not paid in full when due for any reason,</li> </ol> <p>then it will not declare or pay any dividends or other distributions in respect of, or repurchase or redeem, securities ranking <i>pari passu</i> with, or junior to, the Offer Shares (or contribute any money to a sinking fund for the redemption of any securities ranking <i>pari passu</i> with, or junior to, the Offer Shares) until any and all arrears of dividends and accrued but unpaid cash dividends have been paid to the holders of the Offer Shares (unless such declaration or payment of</p>
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			dividends or distributions in respect of <i>pari passu</i> securities shall be in accordance with the paragraph numbered (2) of this section in respect of <i>pro rata</i> payment between the Offer Shares and any other shares ranking equally with the Offer Shares as to participation in the retained earnings).
13.	<b>Cumulative Dividends; Non-Participating</b>	:	<p>Dividends on the Offer Shares will be cumulative. If for any reason the Issuer's Board of Directors does not declare a dividend on the Offer Shares for a Dividend Period, the Issuer will not pay a dividend on the Dividend Payment Date for that Dividend Period. However, on any future Dividend Payment Date on which dividends are declared, holders of the Offer Shares must receive the dividends due them on such Dividend Payment Date as well as all dividends accrued and unpaid to the holders of the Offer Shares prior to such Dividend Payment Date.</p> <p>Holders of the Offer Shares shall not be entitled to participate in any other or further dividends beyond the dividends specifically payable on the Offer Shares.</p>
14.	<b>Payment on the Shares</b>	:	<p>All payments of dividends and any other amounts under the Offer Shares shall be paid by the Issuer in Philippine Pesos. On the relevant payment dates, the Paying Agent shall make available to holders of the Offer Shares, checks drawn against the Payment Settlement Account in the amount due to each holder of the Offer Shares of record as of the relevant Record Date, either:</p> <ul style="list-style-type: none"> <li>(a) for pick-up by the holder of the Offer Shares or its duly authorized representative at the office of the Paying Agent, or</li> <li>(b) delivery via courier or, if courier service is unavailable for deliveries to the address of the relevant holder of the Offer Shares, <ul style="list-style-type: none"> <li>(i) via mail, at the holder's risk, to the address of the holder of the Offer Shares appearing in the Register of Shareholders, or</li> <li>(ii) deposit and pay the amount due to each shareholder as of the relevant record date to the bank account nominated by the holder of the Offer Shares; provided that such holder has complied with the credit-to-account requirements of the Paying Agent and such holder's nominated bank account has qualified for the credit-to-account facility of the Paying Agent.</li> </ul> </li> </ul>
15.	<b>In general: Perpetual/No Fixed Maturity</b>	:	<p>The Offer Shares are equity securities in the capital stock of the Issuer and thus have no fixed maturity or mandatory redemption date.</p> <p>However, the Offer Shares may be redeemed by the Issuer pursuant to the applicable provisions on redemption (see below sections on "<i>Optional Redemption and Purchase</i>" and "<i>Early Redemption Due to Occurrence of a Tax Event or Accounting Event</i>"). Based on these provisions, the Offer</p>

			<p>Shares are not repayable in cash unless the Board of Directors of the Issuer should approve resolutions providing for the optional redemption of the Offer Shares for the cash redemption amount set out in the terms and conditions of the Offer Shares, at the sole discretion of the Board of Directors. Furthermore, holders of the Offer Shares have no right to require the Issuer to redeem the Offer Shares.</p>
16.	<b>Optional Redemption and Purchase</b>	:	<p>The Issuer has the option, but not the obligation, to redeem in whole (but not in part) any subseries of the outstanding Offer Shares (having given not less than 30 days' prior notice by publication in two national newspapers):</p> <ul style="list-style-type: none"> <li>(a) in respect of the Series A-1 Preferred Shares, on the payment date of the 16<sup>th</sup> Dividend Period, which indicatively will be on the 4<sup>th</sup> anniversary of the Issue Date, or on any Dividend Payment Date thereafter, and</li> <li>(b) in respect of the Series A-2 Preferred Shares, on the payment of the 28<sup>th</sup> Dividend Period, which indicatively will be on the 7<sup>th</sup> anniversary of the Issue Date, or on any Dividend Payment Date thereafter</li> </ul> <p>(each, an "<b>Optional Redemption Date</b>" for each of the Series A-1 Preferred Shares and Series A-2 Preferred Shares).</p> <p>Exercise of the Issuer's redemption option shall be completed by payment of the redemption price equal to the Offer Price plus any accrued and unpaid dividends after deduction for any tax and customary transfer costs to effect the redemption (the "<b>Redemption Payment</b>"). Administrative costs and expenses, including the cost of checks used, supplies, paying agent services, courier and mailing costs in relation to effecting the redemption shall be for the account of the Issuer. The Redemption Payment shall be made to the holders of the Offer Shares as of the Record Date set by the Issuer for such redemption.</p> <p>In the event the Optional Redemption Date which the Issuer has chosen as the date to redeem any or both of the subseries of the Offer Shares falls on a day that is not a Business Day, the redemption shall be made on the next succeeding day that is a Business Day, without adjustment as to the Redemption Payment, and the amount of dividends to be paid.</p> <p>Subject to compliance with applicable law, the Issuer may purchase the Offer Shares at any time at any price either through the PSE, by public tender or through negotiated transactions.</p> <p>Unless the Articles of Incorporation of the Issuer are amended to state that the Offer Shares are not re-issuable, any Offer Shares redeemed or purchased by the Issuer shall be recorded as treasury stock of the Issuer and may be re-issued in the future at such terms and at such time as the Issuer may determine.</p>





17.	<b>Early Redemption Due to Occurrence of a Tax Event or Accounting Event</b>	:	<p>If a Tax Event or Accounting Event occurs, the Issuer may redeem in whole, but not in part, any subseries of the outstanding Offer Shares at any time (having given not more than 60 nor less than 30 days' prior notice) at the Redemption Payment; provided that if the Tax Event or Accounting Event is specific to a particular subseries, then the foregoing optional redemption may be exercised only with respect to such subseries.</p> <p>A "<b>Tax Event</b>" shall occur if payments on the Offer Shares become subject to additional or higher withholding tax or any new tax for the account of the Issuer (including a higher rate of an existing tax) as a result of certain changes in law, rule or regulation, or in the interpretation thereof, and such tax cannot be avoided by use of reasonable measures available to the Issuer.</p> <p>An "<b>Accounting Event</b>" shall occur if an opinion of a recognized accountancy firm authorized to perform auditing services in the Republic of the Philippines has been delivered to the Issuer stating that the Offer Shares may no longer be recorded as equity in the audited consolidated financial statements of the Issuer prepared in accordance with Philippine Financial Reporting Standard ("<b>PFRS</b>"), or such other accounting standards which succeed PFRS as adopted by the Issuer for the preparation of its audited consolidated financial statements for the relevant financial year, and such event cannot be avoided by use of reasonable measures available to the Issuer.</p> <p>Exercise of the Issuer's redemption option based on a Tax Event or Accounting Event shall be completed by payment of the Redemption Payment. Administrative costs and expenses, including the cost of checks used, supplies, paying agent services, courier and mailing costs in relation to effecting the redemption shall be for the account of the Issuer. The Redemption Payment shall be made to the holders of the Offer Shares as of the Record Date set by the Issuer for such redemption.</p>
18.	<b>No Sinking Fund</b>	:	<p>The Issuer is not legally required, has not established, and currently does not intend to establish a sinking fund for the redemption of the Offer Shares.</p>
19.	<b>Philippine Taxation</b>	:	<p>All payments in respect of the Offer Shares 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 Republic of the Philippines, including but not limited to, documentary stamp, issue, registration, value-added or any similar tax or other taxes and duties, including interest and penalties. If such taxes or duties are imposed, the Issuer will pay additional amounts so that holders of the Offer Shares will receive the full amount of the relevant payment which otherwise would have been due and payable; provided, however, that the Issuer shall not be liable for, and the foregoing payment undertaking of the Issuer shall not apply to:</p>

			<p>(a) any withholding tax applicable on dividends earned or on any amounts payable to the holders of the Offer Shares prescribed under the Tax Code including any additional tax on such dividends imposed by changes in law, rule, or regulation;</p> <p>(b) any income tax (whether or not subject to withholding), percentage tax (such as stock transaction tax), documentary stamp tax or other applicable taxes on the redemption (or receipt of the redemption price) of the Offer Shares or any liquidating distributions as may be received by a holder of the Offer Shares;</p> <p>(c) any expanded value-added tax which may be payable by any holder of the Offer Shares on any amount to be received from the Issuer under the Offer;</p> <p>(d) any withholding tax, including any additional tax imposed by change in law, rules, or regulation, on any dividend or amount payable to any holder of Offer Shares or any entity which is a non-resident foreign corporation; and</p> <p>(e) any applicable taxes on any subsequent sale or transfer of the Offer Shares by any holder of the Offer Shares which shall be for the account of such holder (or the buyer in case such buyer shall have agreed to be responsible for the payment of such taxes).</p> <p>All sums payable by the Issuer to tax-exempt entities shall be paid in full without deductions for taxes, duties, assessments or governmental charges provided said entities present proof of such tax-exempt status from the tax authorities and other documents as may be required by the Issuer in its discretion.</p> <p>Any documentary stamp tax for the recording of the Offer Shares in the name of a holder of the Offer Shares shall be for the account of and paid for by the Issuer. After the Issue Date, taxes generally applicable to a subsequent sale of the Offer Shares by any holder of such Offer Shares, including receipt by said holder of a Redemption Payment, shall be for the account of the said holder.</p>
20.	<b>Liquidation Rights</b>	:	<p>In the event of a return of capital in respect of the Issuer's winding up or otherwise (whether voluntarily or involuntarily) (but not on a redemption or purchase by the Issuer of any of its share capital), the holders of the Offer Shares at the time outstanding will be entitled to receive, in Philippine Pesos out of the Issuer's assets available for distribution to shareholders (after payment of debts and liabilities to creditors), together with the holders of any other of the Issuer's shares ranking, as regards repayment of capital, <i>pari passu</i> with the Offer Shares and before any distribution of assets is made to holders of any class of the Issuer's shares ranking junior to the Offer Shares as regards repayment of capital, liquidating distributions equal to the Offer Price plus an amount equal to any dividends declared but unpaid in respect of the previous Dividend Period and any accrued and unpaid dividends for the then-current Dividend Period to (and including) the date of</p>



			<p>commencement of the Issuer's winding up or the date of any such other return of capital, as the case may be. If, upon any return of capital in the Issuer's winding up, the amount payable with respect to the Offer Shares and any other of the Issuer's shares ranking as to any such distribution <i>pari passu</i> with the Offer Shares are not paid in full, the holders of the Offer Shares and of such other shares will share ratably in any such distribution of the Issuer's assets in proportion to the full respective preferential amounts to which they are entitled. After payment of the full amount of the liquidating distribution to which they are entitled, the holders of the Offer Shares will have no right or claim to any of the Issuer's remaining assets and will not be entitled to any further participation or return of capital in a winding up.</p>
21.	<b>Non-Convertible</b>	:	<p>Holders of the Offer Shares shall have no right to convert the Offer Shares to any other shares or securities of the Issuer.</p> <p>For the avoidance of doubt, the Board of Directors of the Issuer has determined that the Offer Shares (which are Series "A" Preferred Shares) <b>shall not be convertible</b> to common shares, and accordingly, the reference to "mutually acceptable terms" on convertibility as set out in Article Seven of the Articles of Incorporation of the Issuer, as amended to date, <b>does not apply</b> to the Offer Shares.</p>
22.	<b>No Pre-Emptive Rights</b>	:	<p>Holders of the Offer Shares shall have no pre-emptive rights to subscribe to or purchase any shares (including, without limitation, treasury shares) that may be issued or sold by the Issuer.</p>
23.	<b>Non-Voting</b>	:	<p>The Offer Shares shall have no voting rights except as specifically provided by the Revised Corporation Code. Thus, holders of Offer Shares shall not be eligible, for example, to vote for or elect the Issuer's Directors or to vote for or against the issuance of a stock dividend.</p>
24.	<b>Re-issuability</b>	:	<p>Under the Articles of Incorporation of the Issuer, as amended to date, the Series "A" Preferred Shares are reissuable such that in case of redemption, the Series "A" Preferred Shares shall not be considered retired and may be re-issued by the Issuer on such terms and conditions as may be determined and approved by the Board of Directors.</p> <p>Nonetheless, the Issuer may subsequently amend its Articles of Incorporation to provide that all the Series "A" Preferred Shares in its authorized capital stock (or only the Offer Shares) shall, upon redemption, be cancellable and retired, in case the Issuer determines that it is more beneficial to it and/or the holders thereof.</p>
25.	<b>Status of the Offer Shares</b>	:	<p>The Offer Shares will constitute the direct and unsecured subordinated obligations of the Issuer ranking at least <i>pari passu</i> in all respects and ratably without preference or priority among themselves and with all other preferred shares issued by the Issuer.</p> <p>The Issuer is at liberty from time to time without the consent of the holders of the Offer Shares to create and issue</p>



			additional preferred shares or securities either (a) ranking at least <i>pari passu</i> in all respects with the Offer Shares, or (b) upon such terms as to ranking, distributions, conversion, redemption and otherwise as the Issuer may determine at the time of the issue.
26.	<b>Form, Title and Registration of the Offer Shares</b>	:	<p>The Offer Shares will be issued in scripless form through the electronic book-entry system of the appointed Stock Transfer Agent and lodged with the Philippine Depository Trust Corporation ("PDTC") as depository agent on Listing Date through PSE trading participants nominated by the applicants.</p> <p>After Listing Date, shareholders may request the Stock Transfer Agent, through their nominated PSE trading participant, to (a) open a scripless registry account and have their holdings of the Offer Shares registered under their name ("name-on-registry account"), or (b) issue stock certificates evidencing their investment in the Offer Shares. Any expense that will be incurred in relation to such registration or issuance shall be for the account of the requesting shareholder.</p> <p>Legal title to the Offer Shares will be shown in the Registry of Shareholders which shall be maintained by the Stock Transfer Agent. Without prejudice to its procedure as may be agreed with the Issuer, the Stock Transfer Agent shall send a transaction confirmation advice confirming every receipt or transfer of the Offer Shares that is effected in the Registry of Shareholders (at the cost of the requesting shareholder). The Stock Transfer Agent shall send (at the cost of the Issuer) at least once every year a statement of account to all shareholders named in the Registry of Shareholders, except certificated shareholders and depository participants, confirming the number of shares held by each shareholder on record in the Registry of Shareholders. Such statement of account shall serve as evidence of ownership of the relevant shareholder as of the given date thereof. Any request by shareholders for certifications, reports or other documents from the Stock Transfer Agent, except as provided herein, shall be for the account of the requesting shareholder.</p> <p>For scripless shares, the maintenance and custody fee payable to the PDTC shall be for the account of the shareholder.</p> <p>Initial placement of the Offer Shares and subsequent transfers of interests in the Offer Shares shall be subject to normal Philippine selling restrictions for listed securities as may prevail from time to time.</p> <p>Philippine law does not require transfers of the Offer Shares to be effected on the PSE, but any off-exchange transfers will subject the transferor to a capital gains tax that may be significantly greater than the stock transfer tax applicable to transfers effected on an exchange, and documentary stamp tax. All transfers of shares on the PSE must be effected through a licensed stock broker in the Philippines.</p>
27.	<b>Title and Transfer</b>	:	Legal title to the Offer Shares shall pass by endorsement and delivery to the transferee and registration in the Registry of

			Shareholders to be maintained by the Stock Transfer Agent. Settlement in respect of such transfer or change of title to the Offer Shares, including the settlement of documentary stamp taxes, if any, arising from subsequent transfers, shall be similar to the transfer of title and settlement procedures for listed securities in the PSE.
28.	<b>Governing Law</b>	:	The Offer Shares will be issued pursuant to, and the terms and conditions of the Offer Shares will be governed by, the laws of the Republic of the Philippines.