

PLEDGE AGREEMENT

This Pledge, made and executed this ___th day of _____ 200_, at Makati City, by:

_____, a corporation organized and existing under the laws of the Philippines with offices at _____, Makati, Metro Manila (hereafter referred to as the "Pledgor",

- and -

_____ a banking institution organized and existing under the laws of the Philippines with offices at _____ (hereafter referred to as the "Pledgee").

WITNESSETH: That

WHEREAS, under the terms and conditions of the _____ Agreement dated _____ between _____ (herein referred to as the "Debtor", irrespective of number) and the Pledgee, and any and all amendments, supplements and modifications thereof (the "Agreement"), the Pledgee agreed to extend to the Debtor a financial accommodation evidenced by promissory note/s (the "Notes") in the aggregate amount of PESOS _____ (P _____), Philippine Currency;

WHEREAS, the Pledgee had agreed to extend the aforesaid financial accommodation on condition, among others, that this Pledge shall be duly executed, delivered and complied with by the Pledgor in favor of the Pledgee to secure under the terms and conditions set forth herein, the Secured Obligations set forth hereafter.

NOW, THEREFORE, for and in consideration of the foregoing premises and in order to secure the due and full payment and performance of the Secured Obligations, the Pledgor, by way of pledge, hereby transfers, conveys and encumbers, in favor of the Pledgee, all of the Pledgor's rights, title and interests in and to the Pledged Properties under the terms and conditions below set forth or referred to.

Section 1. *Secured Obligations.* - The obligations secured by this Pledge (the "Secured Obligations") are the following:

- a) All the obligations of the Debtor and/or the Pledgor under: (i) the Notes, the Agreement and this Pledge; (ii) any and all instruments or documents issued upon the renewal, extension, amendment or novation of the Notes, the Agreement and this Pledge, irrespective of whether such obligation as renewed, extended, amended or novated are in the nature of new, separate or additional obligations; and (iii) any and all instruments or documents issued pursuant to the Notes, the Agreement and this Pledge;
- b) All other obligations of the Debtor and/or the Pledgor in favor of the Pledgee, whether presently owing or hereinafter incurred and whether or not arising from or connected with the Agreement, the Notes and/or this Pledge; and
- c) Any and all expenses which may be incurred in collecting any and all of the above and enforcing any and all rights, powers and remedies of the Pledgee under this Pledge.

Section 2. *Pledged Properties.* The properties herein pledged (the "Pledged Properties") are all the properties set forth and particularly described in the List of Pledged Properties attached to form an integral part hereof as Annex "A" (including whenever applicable, the certificates covering any securities pledged which have already been issued and the subscription agreements or other instruments covering any such securities pledged for which the corresponding certificates have not been issued) inclusive of the following all of which shall, without need for any act or deed, form part of the Pledged Properties securing the Secured Obligations under the terms hereof:

- a) All shares of stock, if any, arising from stock splits and reverse splits involving the Pledged Properties as well as all stock dividends declared on the Pledged Properties and all shares of stock or other securities arising or derived from the exercise of stock rights or warrants attributable to the Pledged Properties, it being agreed however, that the Pledgor shall be liable for the subscription price and all calls and assessments thereon, as well as on the Pledged Properties, although the Pledgee may, at its discretion, advance the same, to be reimbursed by the Pledgor immediately upon demand by the Pledgee, with interest at the highest rate allowed by law from date of advance until full payment thereof (which amount advanced and interest thereon shall from part and shall be secured hereunder in the same manner as the Secured Obligations);
- b) Any and all replacements, substitutions, additions, increases and accretions to the Pledged Properties now or hereafter existing; and
- c) Any and all properties hereafter pledged under the terms hereof pursuant to Section 3.

Section 3. *Required Collateral Value.* - For as long as any Secured Obligation remain outstanding, the aggregate fair market value of all Pledged Properties shall, at all times, be equal to at least _____ per cent (_____%) of the aggregate of all the Secured Obligations remaining unpaid (the "Required Collateral Value"). If at any time, in the opinion of the Pledgee, the fair market value of the Pledged Properties is less than the Required Collateral Value, the Pledgor shall, upon demand by the Pledgee, pledge under the terms and conditions set forth or referred to herein, additional properties of sufficient quantity and quality acceptable to the Pledgee, such that in the reasonable determination of the Pledgee, the aggregate fair market value of the Pledged Properties including the additional properties shall at least be equal to the Required Collateral Value. Such additional properties shall be subject to the terms and conditions of this Pledge and shall form part of the Pledged Properties without need of any other or further act or deed. If deemed necessary by the Pledgee however, the Pledgor shall execute, deliver and register at the Pledgor's own expense and in favor of the Pledgee a supplemental pledge instrument/s covering such additional properties. The Pledgor further covenants that, upon demand by the Pledgee, the Pledgor shall, at the Pledgor's own expense, do such other things and acts necessary to subject to the lien and provisions of this Pledge any and all of such additional properties.

Section 4. *Representations and Warranties.* - The Pledgor hereby represents and warrants as follows:

- a) The Pledgor reiterates herein all the representations and warranties of the Debtor in the Agreement;
- b) The Pledgor is the absolute owner in fee simple and is in lawful possession of the Pledged Properties, free and clear from any and all liens, encumbrances and adverse claims of whatever kind and nature, has full power and authority to pledge the same under the terms hereof, and that there is no legal or contractual impediment which would in any way impair the validity or enforcement of this Pledge;
- c) The Pledge and all other documents and deeds related or supplemental hereto have been authorized by all necessary acts and deeds (including government authorization, if required) and when executed and delivered as contemplated by this Pledge, will be valid and binding in accordance with their respective terms;
- d) As of the date hereof, the Pledged Properties have the Required Collateral Value, and during all the time that any Secured Obligations remain outstanding and unpaid, the Pledged Properties shall at all times be at least equal to the Required Collateral Value.

Section 5. *Covenants of the Pledgor.* As long as any portion of the Secured Obligations remains unpaid, the Pledgor hereby covenants and undertakes as follows:

- a) The Pledgor hereby reiterates herein all the covenants and undertakings of the Debtor under the Agreement.
- b) Simultaneously with the execution of this Pledge, the Pledgor shall: (i) deliver to the Pledgee the Pledged Properties or otherwise the stock certificates or other evidence of ownership of the Pledged Properties which are already issued; and (ii) execute and deliver in favor of the Pledgee, by way of pledge, assignment/s in the form and substance satisfactory to the Pledgee covering the Pledged Properties for which the stock certificates or other evidence of ownership thereof have not been issued.
- c) The Pledgor will, at the Pledgor's own expense and account, warrant and defend the title to all the Pledged Properties for the benefit of the Pledgee.
- d) The Pledgor shall not sell, assign, dispose of, encumber or otherwise subject to any other lien, the Pledged Properties or any part thereof.
- e) Within thirty (30) days from date hereof, unless sooner required by the Pledgee, the Pledgor shall at its own expense, and to the satisfaction of the Pledgee, cause this Pledge and all instruments amendatory or supplemental thereto, to be duly filed and registered in the books of the issuers thereof or in such other manner and at such places as may in the opinion of the Pledgee be required by law in order to make fully effective, and to maintain, preserve and protect, the lien and security of this Pledge.
- f) The Pledgor will protect and preserve the lien constituted under this Pledge and, upon reasonable request of the Pledgee, the Pledgor shall execute and deliver such further instruments and perform such further acts as may be necessary or proper, in the reasonable opinion of the Pledgee, to more effectively carry out the purposes of this Pledge and to subject to this Pledge any property intended to be covered hereby.

Upon failure of the Pledgor to keep, observe and perform any or all of the foregoing covenants, the Pledgee may, in conjunction with or in addition to any other remedy herein provided, perform or cause to be performed said covenants on behalf of the Pledgor. Any and all costs advanced or incurred by the Pledgee thereon shall be reimbursed by the Pledgor immediately upon demand, and shall bear interest at the highest rate permitted by law from the date the advance was made or cost incurred until full

payment thereof, and shall together with the interest herein provided be deemed to form part of the Secured Obligations.

Section 6. *Default.* The Pledgor is in default within the meaning of this Pledge when the Debtor fails to duly and fully pay and perform any of the Secured Obligations when due, or when the Debtor and/or Pledgor is otherwise in default under the terms and conditions of the Agreement, without need for notice to or consent of the Pledgor or any other or further act or deed.

Default by the Pledgor as herein defined shall, without need for notice or demand, or any other act or deed, all of which are hereby waived, have the same effect and entitle the Pledgee to exercise the same remedies provided for in the Agreement, in addition to the following, all of which remedies shall be alternative, concurrent and cumulative, unless prohibited by law:

a) The Pledgee shall have the right, without need for advertisement, notice or demand on or consent of the Pledgor or any other act or deed, to immediately sell all or any portion of the Pledged Properties in such order or quantity or by such lot or lots as the Pledgee may deem convenient, necessary or proper, at private sale or public sale, at the Pledgee's place of business or elsewhere, or in any broker's board or securities exchange, or otherwise. Any such sale or sales may likewise be made through negotiated over-the-counter transactions, provided that if any such sales be at broker's board or public auction, the Pledgee may itself be the purchaser at such sale/s free from any right or equity of redemption, such right or equity being hereby expressly waived and released by the Pledgor.

b) The Pledgee shall likewise have the right to issue receipts, to execute and deliver any instrument or document and/or do such acts or deeds as may be necessary, proper or convenient to effect the sale, transfer and assignment of any or all rights, titles and interest of the Pledgor in any or all of the Pledged Properties to the purchaser/s or to itself, in the proper case; and

c) To apply the proceeds realized from such sale/s as provided hereinafter.

Section 7. *Application of Proceeds.* The proceeds realized from any sale of the Pledged Properties shall be applied to the following, in the order given:

a) To the payment of all taxes, assessments, governmental charges or liens, if they have priority over the lien established herein;

b) To the payment of all expenses of sale, including but not limited to, notices and advertisements thereof, commissions, attorney's fees and other charges; and

c) To the payment of the Secured Obligations.

Section 8. *Power and Authority of Pledgee.* To effectively carry out the powers granted to the Pledgee under Section 7 and elsewhere in this Pledge, the Pledgee hereby irrevocably names, constitutes and appoints the Pledgee as its true and lawful attorney in fact, with full power and authority to do and perform, by itself or through its nominees or agents, with full power of substitution or revocation, any and all acts and things which may be necessary, proper or convenient to be done or performed in and about the premises, without however, any responsibility on the part of the Pledgee for its failure to do any or all of its powers herein vested, all to the same purposes and effects as if done by the Pledgor, and all acts done in conformity with the powers herein granted are hereby confirmed and ratified.

Section 9. *Expenses.* The Pledgor shall pay all costs, fees, charges, and other expenses in connection with the preparation, execution, delivery, registration and enforcement of this Pledge or any amendment, supplement or any modification thereof, including but not limited to all stamp and other taxes.

Section 10. *Attorney's Fees and Liquidated Damages.* - If the Pledgor fails to promptly or fully pay or perform any of its obligations herein or should the Pledgee require the assistance of counsel in enforcing its rights hereunder, the Pledgee shall be entitled to recover from the Pledgor, as and for attorney's fees and liquidated damages a sum equivalent to 20% of the total amount of the obligations then due and outstanding (whether by acceleration or at their stated maturity) even without any legal action taken, said sum in no case be less than P20,000.00.

Section 11. *No Implied Waivers.* - The exercise of the rights, privileges and remedies provided in this Pledge, the Agreement and in any Note, shall be at the absolute discretion and option of the Pledgee. No failure, omission or delay on the part of the Pledgee in the exercise of any of said rights, privileges or remedies shall operate as a waiver thereof, nor shall any single or partial exercise of any right, privilege or remedy preclude any other or further exercise thereof or the exercise of any other right, privilege or remedy under the same. No modification or waiver of any provision of this Pledge, the Agreement and any Note, and no consent to any departure by the Pledgor from the same shall in any event be effective unless the same shall be in writing, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice to or

demand on the Pledgor in any case shall entitle it to any other or further notice or demand in similar or other circumstances.

Section 12. *Binding on Successors and Assigns.* - This Pledge shall be binding upon and inure to the benefit of the Pledgor and Pledgee and their successors and assigns, except that the Pledgor may not assign or transfer its rights hereunder without the prior written consent of the Pledgee.

Section 13. *Separability of Provisions* - If any provision of this Pledge or any instrument delivered pursuant hereto shall be held invalid, the remainder thereof shall not be affected thereby.

Section 14. *Amendment, Extension, etc.* - The Pledgor shall remain liable under this Pledge for as long as the Secured Obligations or any portion thereof remain unpaid and notwithstanding modification, amendment or novation of the Agreement or any Note and/or notwithstanding any renewal, roll-over, extension or grace period, the right to any notice to or consent of the Pledgor of which are hereby waived.

Section 15. *Effectivity and Termination.* - This Pledge shall continue to be valid, binding and be in full force and effect until all the Secured Obligations are fully paid and performed. Upon the full payment and performance of all the Secured Obligations, this Pledge shall, without need for any act or deed, cease to have any further force and effect.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be executed on the date and at the place first above set forth.

(Pledgor)

(Pledgee)

IN THE PRESENCE OF

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)
Makati City) S.S.

BEFORE ME this day personally appeared:

Name _____ Com. Tax Cert. No. _____ Date/Place of Issue _____

to me known and known to me to be the same person/s who signed and executed the foregoing Agreement and each acknowledged to me that the same is executed as his free and voluntary act and deed and that of the entity represented for the uses and purposes therein set forth.

I further certify that said document consists of () pages including this one and signed by the abovenamed parties and the witness on each and every page thereof.

IN WITNESS WHEREOF, I have hereunto affixed my signature and notarial seal in _____, this _____.

Doc. No. _____
Page No. _____
Book No. _____
Series of 200__.