



REPUBLIC OF THE PHILIPPINES
SECURITIES AND EXCHANGE COMMISSION

The SEC Headquarters
7907 Makati Avenue, Salcedo Village,
Barangay Bel-Air, Makati City, 1209, Metro Manila

COMPANY REG. NO. AS94007160

CERTIFICATE OF FILING OF ENABLING RESOLUTION

KNOW ALL PERSONS BY THESE PRESENTS:

THIS IS TO CERTIFY that the Secretary's Certificate executed on April 19, 2024 by at least a majority of the Board, containing the Enabling Resolution of

ARTHALAND CORPORATION

copy annexed, that the company be authorized to public offering (the "Offer") of up to - 4,000,000 Preferred Shares with an oversubscription option of up to 2,000,000 Preferred Shares, to be denominated as "Series F Preferred Shares (collectively, the "Offer Shares")", and to be issued at an offer price of ₱500.00 per share, according to the terms, conditions, features and privileges presented to the Board of Directors, including those enumerated below, be, as they are hereby, **APPROVED and CONFIRMED**;; approved by its Board of Directors on April 11, 2024, was filed with this Office and attached to the other papers pertaining to said corporation, pursuant to Section 6 of the Revised Corporation Code of the Philippines (Republic Act No. 11232).

IN WITNESS WHEREOF, I have set my hand and caused the seal of this Commission to be affixed to this Certificate at The SEC Headquarters, 7907 Makati Avenue, Salcedo Village, Barangay Bel-Air, Makati City, 1209, Metro Manila, Philippines, this 19th day of June, Twenty Twenty Four.

GERARDO F. DEL ROSARIO

Director

Company Registration and Monitoring Department

BA/bds



REPUBLIC OF THE PHILIPPINES)
TAGUIG CITY) SS.

SECRETARY'S CERTIFICATE

I, **RIVA KHRISTINE V. MAALA**, of legal age, with office address at the 7/F Arthaland Century Pacific Tower, 5th Avenue corner 30th Street, Bonifacio Global City, Taguig City 1634, subscribing under oath, do hereby certify, as follows:

1. I am the incumbent and duly elected Corporate Secretary of **ARTHALAND CORPORATION (the "Corporation")**, a corporation organized and existing under Philippine laws, with principal office address at the **7/F Arthaland Century Pacific Tower, 5th Avenue corner 30th Street, Bonifacio Global City, Taguig City 1634**.

2. During the meeting of the Board of Directors of the Corporation duly called and held on **11 April 2024** through remote communication, where a quorum was present and acting throughout, the following resolution was unanimously approved, adopted and recorded in the minute book of the Corporation pursuant to its By-laws:

Resolution No. 014/04-2024 – Issuance of 6.0 Million Preferred Shares

“RESOLVED, that the Corporation’s public offering (the “Offer”) of up to 4,000,000 Preferred Shares with an oversubscription option of up to 2,000,000 Preferred Shares, to be denominated as “Series F Preferred Shares (collectively, the “Offer Shares”), and to be issued at an offer price of ₱500.00 per share, according to the terms, conditions, features and privileges presented to the Board of Directors, including those enumerated below, be, as they are hereby, APPROVED and CONFIRMED;

“RESOLVED, FURTHER that (a) the appointment of BDO Capital & Investment Corporation (“BDO Capital”) as lead underwriter, issue manager, coordinator and in such other capacities in relation to the Offer and the Offer Shares, and (b) the engagement of other underwriters, issue managers, coordinators, arrangers, bookrunners, receiving agent, stock transfer agent, other agents, counsels, advisors and/or other relevant persons or entities for the Offer be, as they are hereby, APPROVED, CONFIRMED and RATIFIED;

“RESOLVED, FURTHER that the Corporation be, as it is hereby, authorized to:

- (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;

ARTHALAND CORPORATION
Head Office, 7F Arthaland Century Pacific Tower
5th Avenue corner 30th Street, Bonifacio Global City,
1634 Taguig City, Philippines

(+632) 8 403 6910 | www.arthaland.com

- (b) File an application with The Philippine Stock Exchange (PSE) and obtain approval from the PSE for the listing of the Offer Shares, pursuant to the listing requirements of the PSE; and
- (c) Adopt an appropriate ticker or stock symbol for the trading of the Offer Shares on the PSE;

“RESOLVED, FURTHER that the following officers of the Corporation (acting singly) be, as each of them is hereby, designated as representatives and signatories of the Corporation:

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| Jaime C. Gonzalez | <i>Vice Chairman and President</i> |
| Cornelio S. Mapa, Jr. | <i>Treasurer and Executive Vice President</i> |
| Christopher G. Narciso | <i>Executive Vice President</i> |
| Sheryll P. Verano | <i>Senior Vice President, and</i> |
| Marivic S. Victoria | <i>Chief Finance Officer;</i> |

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 any amendments to the terms and conditions of the Offer Shares presented to the Board of Directors as may be required by the SEC 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 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 Registration Statement, the Application for Listing of Stocks, the Offer Term Sheet, the agreements with the Stock Transfer Agent, the Receiving Agent, the Listing Agreement, the continuing authorization to the SEC to examine the Company’s bank accounts and those of its subsidiaries, affiliates and control corporations, the mandate letters or engagement letters, the Underwriting Agreement, and the Stock Transfer Agency Agreement (or any equivalent document), 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 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, FURTHER, without prejudice to the preceding paragraph, that the authority of the following officers of the Corporation to sign (either singly, jointly or any combination) SEC Form 12-1 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,
APPROVED and CONFIRMED:

President
Treasurer
Chief Finance Officer, and/or
Corporate Secretary;

“RESOLVED, FINALLY that the Board of Directors hereby approves, confirms, and ratifies the disclosures contained in the Registration Statement, the Prospectus, the Listing Application and the other documents to be filed by the Corporation with the SEC and the PSE and used by the Corporation in connection with the Offer.”

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3. The terms, conditions, features and privileges of Series F Preferred Shares presented and approved by the Board of Directors as stated in the foregoing Resolution are outlined in **Annex “A”** hereto attached.

4. The foregoing Resolution of the Board of Directors is in full force and effect, the same not having been revoked, superseded or modified as of the date hereof.


5. I am executing this Secretary’s Certificate to attest to the truth of the foregoing in compliance with the requirements of Section 6 of the Revised Corporation Code for the issuance of a Certificate of Filing of Enabling Resolution by the Securities and Exchange Commission with respect to the Corporation’s Preferred Shares Series F, and for whatever legal purpose this may serve.

IN WITNESS WHEREOF, I have hereunto affixed my signature on the date and place indicated below.


RIVA KHRISTINE V. MAALA
Corporate Secretary

SUBSCRIBED AND SWORN to before me, this APR 19 2024 in **Taguig City**, by **Riva Khristine V. Maala** who exhibited to me **Passport Number P4663090B** expiring on **02 February 2030** and issued by the **Department of Foreign Affairs, NCR-East, Philippines**.

Doc. No. 14
Page No. 4
Book No. 21
Series of **2024**.


GAUDENCIO A. BARBOZA JR.
NOTARY PUBLIC
Until Dec. 31, 2024
PTR # A-8123305 Jan. 2, 2024, Taguig City
IBP No. 328534 /12/11/23 RSM (FOR YR. 2024)
ROLL No. 41969
MCLE COMP. NO. VII No. 0028557
APRIL 19, 2023
APP. No. 61 (2023- 2024)

Annex A - Terms of the Offer

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| 1. | Issuer..... | Arthaland Corporation (“ALCO”, the “Company” or the “Issuer”). |
| 2. | Offer Size..... | Up ₱2,000,000,000 with an Oversubscription Offer of up to ₱1,000,000,000 (the “Offer”) |
| 3. | Instrument..... | Cumulative, non-voting, non-participating, non-convertible, redeemable Peso-denominated preferred shares to be denominated as “Series F Preferred Shares” (the “Offer Shares” or the “Series F Preferred Shares”). |
| 4. | Offer and Offer Price | ALCO, through the Lead Underwriter and the Selling Agents, is offering up to 4,000,000 Series F Preferred Shares, and in case the Oversubscription Option is exercised, up to an additional 2,000,000 Series F Preferred Shares, at an offer price of ₱500 per share (the “Offer Price”). |
| 5. | Registration and Listing..... | 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. (“PSE”), subject to compliance with applicable SEC regulations and PSE listing rules. Upon listing, the Series F Preferred Shares will be traded under the symbol “ALCPF”. |
| 6. | Par Value..... | The Series F Preferred Shares have a par value of ₱1.00 per share. |
| 7. | Dividend Rate | The Series F Preferred Shares will, subject to certain dividend payment conditions (see below “ <i>Conditions for the Declaration and Payment of Cash Dividends</i> ”), bear cumulative, non-participating cash dividends (the “Dividends”) based on the Offer Price, payable quarterly in arrears every Dividend Payment Date (as defined below) at the Dividend Rate <i>per annum</i> reckoned from Issue Date (as such term is defined in the prospectus to be used for the Offer (the “Prospectus”)). Dividends will be calculated on a 30/360-day basis. The term “Dividend Rate” means (a) from the Issue Date up to the Initial Optional Redemption Date, the Original Dividend Rate, and (b) from the Initial Optional Redemption Date, the higher of the Original Dividend Rate and the Step Up Rate. (Please see below for the relevant definitions.) |
| 8. | Original Dividend Rate and Original Spread | The original dividend rate (the “Original Dividend Rate”) shall be at the fixed rate <i>per annum</i> that is equivalent to the sum of the 3-day average of the 5-year BVAL (or such successor rate) as of the dividend rate setting date, and a spread to be |

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| | | <p>agreed by ALCO with the relevant parties (the “Original Spread”) <i>per annum</i>.</p> <p>“BVAL” shall refer to the reference rates of Republic of the Philippines Peso-denominated domestic government bonds, as published on the relevant page of Bloomberg (or its successor entity) at approximately 5:00 p.m. (Philippine Standard Time).</p> |
| 9. | Dividend Rate Step-Up | <p>Unless the Series F Preferred Shares are redeemed by ALCO on the fifth (5th) anniversary of the Listing Date (as such term is defined in the Prospectus) (the “Initial Optional Redemption Date”), the Dividend Rate shall be adjusted thereafter to the higher of:</p> <ol style="list-style-type: none"> a. Original Dividend Rate, or b. the sum of: <ol style="list-style-type: none"> i. the 3-day average of the 10-year BVAL preceding and including the Initial Optional Redemption Date, and ii. the Original Spread x 250% <p>(this item b, the “Step Up Rate”).</p> <p>For the avoidance of doubt, (a) if the Original Dividend Rate is higher than the Step Up Rate, there shall be no adjustment on the Dividend Rate, and the Original Dividend Rate shall continue to be the Dividend Rate, and (b) there will be no additional increase in the Dividend Rate after the Step Up Rate is applied.</p> |
| 10. | Dividend Payment Dates | <p>As and if declared by ALCO, and in accordance with the terms and conditions of the Series F Preferred Shares, dividends will be payable each dividend payment date as indicated in the Prospectus (each, a “Dividend Payment Date”), being the last day of each 3-month dividend period (a “Dividend Period”). If the Dividend Payment Date is not a Banking Day, dividends will be paid on the next succeeding Banking Day, without adjustment as to the amount of dividends to be paid.</p> <p>A “Banking Day” means a day, except Saturday or Sunday or legal holidays, when banks are open for business in Metro Manila, Philippines during which facilities of the Philippine banking system are open and available for clearing; provided that all other days unless otherwise specified herein shall mean calendar days which shall be construed as successive periods of twenty-four (24) hours each.</p> |

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| 11. | Conditions for the Declaration and Payment of Cash Dividends | <p>ALCO's BOD has full discretion over the declaration and payment of cash dividends on the Series F Preferred Shares, to the extent permitted by law.</p> <p>ALCO's BOD will not declare and pay cash dividends on any Dividend Payment Date where, in its opinion:</p> <ul style="list-style-type: none"> (a) payment of the cash dividend would cause ALCO to breach any of its financial covenants; or (b) the unrestricted retained earnings available to ALCO for distribution as dividends are not sufficient to enable ALCO to pay cash dividends in full on all other classes of ALCO'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 Series F Preferred Shares. <p>If the unrestricted retained earnings available to distribute as dividends are, in ALCO's BOD' opinion, not sufficient to enable ALCO to pay both dividends on the Series F Preferred Shares and the dividends on other shares that have an equal right and priority to dividends as the Series F Preferred Shares, in full and on the relevant dates, then ALCO is required to:</p> <ul style="list-style-type: none"> (1) first, 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 Series F Preferred Shares; and (2) second, to pay dividends on the Series F Preferred Shares and any other shares ranking equally with the Series F Preferred 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 Series F Preferred Shares to receive dividends. <p>Any such cash dividends deferred or not declared in accordance with the above provisions shall constitute "Arrears of Dividends".</p> |
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| | <p>The unrestricted retained earnings available for distribution are, in general and with some adjustments, equal to ALCO's accumulated profits, less accumulated realized losses. In general, under Philippine law, a corporation can only declare dividends to the extent that it has unrestricted retained earnings. Unrestricted retained earnings represent the undistributed earnings of the corporation which have not been allocated for any managerial, contractual or legal purposes and which are free for distribution to the shareholders as dividends.</p> <p>Cash dividends on the Series F Preferred Shares will be cumulative. If for any reason the BOD of ALCO does not declare cash dividends on the Series F Preferred Shares for a Dividend Period, ALCO will not pay cash dividends on the Dividend Payment Date for that Dividend Period. However, on any future Dividend Payment Date on which cash dividends are declared, holders of the Series F Preferred Shares must receive the accrued and unpaid cash dividends due them on such Dividend Payment Date as well as all Arrears of Dividends to the holders of the Series F Preferred Shares prior to such Dividend Payment Date.</p> <p>Holders of the Series F Preferred Shares shall not be entitled to participate in any other or further dividends, cash, property or stock beyond the dividends specifically payable on the Series F Preferred Shares.</p> <p>ALCO covenants that, in the event:</p> <ul style="list-style-type: none"> (a) any cash dividends due with respect to any Series F Preferred Shares then outstanding for any period are not declared and paid in full when due; (b) where there remains outstanding Arrears of Dividends; or (c) any other amounts payable under the terms and conditions of the Series F Preferred Shares are not paid in full when due for any reason, <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 Series F Preferred 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 Series F Preferred Shares) until any and all Arrears of Dividends and accrued but unpaid cash dividends have been paid to the holders of the Series F Preferred Shares (unless such declaration or payment of 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 Series F Preferred</p> |
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| | | Shares and any other shares ranking equally with the Series F Preferred Shares as to participation in the retained earnings). |
| 12. | Payments of Dividends and Other Amounts | <p>All payments of dividends and any other amounts under the Series F Preferred Shares shall be paid by ALCO in Philippine Pesos.</p> <p>On the relevant payment dates, the Paying Agent (as such term is defined in the Prospectus) shall make available to the holders of the Series F Preferred Shares as of the relevant record date, checks drawn against the relevant payment settlement account in the amount due to each of such holders of record, either (i) for pick-up by the relevant holder of record of the Series F Preferred Shares or its duly authorized representative at the office of the Paying Agent, or (ii) delivery via courier or, if courier service is unavailable for delivery to the address of the relevant holder of record of the Series F Preferred Shares via mail, at such holder's risk, to the address of such holder appearing in the Registry of Shareholders (unless a different procedure is set out in the Prospectus or relevant documents).</p> |
| 13. | Optional Redemption | <p>As and if approved by the Board of Directors ("BOD") of ALCO and subject to the requirements of applicable laws and regulations, and ALCO's financial covenants, ALCO has the sole option, but not the obligation, to redeem all (but not part) of the outstanding Series F Preferred Shares, having given to the Stock Transfer Agent, the SEC and the PSE not less than thirty (30) calendar days' written notice prior to the intended date of redemption, on:</p> <p>(a) the Initial Optional Redemption Date; or</p> <p>(b) any Dividend Payment Date after the Initial Optional Redemption Date</p> <p>(each, an "Optional Redemption Date"),</p> <p>at a redemption price equal to the Offer Price of the Series F Preferred Shares, plus any accrued and unpaid cash dividends due them on such Dividend Payment Date as well as all Arrears of Dividends outstanding, after deduction of taxes and transfer costs customarily chargeable to stockholders, as applicable, to effect the redemption (the "Redemption Price"). The Redemption Price shall be paid to holders of the Series F Preferred Shares as of the relevant record date set by ALCO for such redemption.</p> <p>ALCO may, at its sole option, subject to the requirements of applicable laws and regulations and ALCO's financial covenants, also redeem the Series F Preferred Shares, in whole but not in part, at any time if an Accounting Event, a Tax Event or a Change in Control Event (each as defined</p> |

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| | <p>below) has occurred, having given not less than thirty (30) calendar days' written notice to the Stock Transfer Agent, the PSE and the SEC prior to the intended date of redemption.</p> <p>The redemption due to an Accounting Event or a Tax Event shall be made by ALCO at the Redemption Price, which shall be paid on the date of redemption set out in the notice.</p> <p>Upon the occurrence of a Change in Control Event, ALCO may elect to redeem the Series F Preferred Shares upon giving not less than thirty (30) calendar days' written notice to the Stock Transfer Agent, the PSE and the SEC prior to the intended date of redemption. If ALCO redeems the Series F Preferred Shares within a period not exceeding thirty (30) days from the occurrence of a Change in Control Event, the redemption shall be made by ALCO at the Redemption Price prevailing immediately prior to the Change in Control Event.</p> <p>If ALCO does not redeem the Series F Preferred Shares within thirty (30) days from the occurrence of a Change in Control Event:</p> <ul style="list-style-type: none"> (a) the Dividend Rate will be increased by 400 basis points per annum, commencing on and including the day on which a Change in Control Event has occurred; and (b) ALCO may still redeem at any time the Series F Preferred Shares at the Redemption Price. For the avoidance of doubt, the Redemption Price shall include the additional 400 basis points per annum constituting the increase in Dividend Rate, commencing on and including the day on which a Change in Control Event has occurred until the date of redemption, as provided under item (a) above. <p>The Company's decision to redeem the Series F Preferred Shares on the Optional Redemption Date or on other applicable dates will depend on a number of factors including the availability of cash from dividends from the Company's subsidiaries which undertake its various projects and the availability of alternative refinancing options on the Optional Redemption Date or on such other applicable dates.</p> <p>However, while the Series F Preferred Shares may be redeemed regardless of the existence of unrestricted retained earnings, this is subject to the condition that the corporation has, after such redemption, assets in its books to cover debts and liabilities inclusive of capital stock. Redemption, therefore, may not be made where the corporation is insolvent or if such redemption will cause insolvency or inability of the corporation to meet its debts as they mature.</p> |
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| | | The Company may also repurchase the Series F Preferred Shares anytime at the market. |
| 14. | Accounting Event..... | An accounting event (“ Accounting Event ”) shall occur if, in the opinion of ALCO, with due consultation with its independent auditors at the relevant time, there is more than an insubstantial risk that the Series F Preferred Shares or the funds raised through the issuance of the Series F Preferred Shares may no longer be recorded as “equity” to the full extent as at the Issue Date pursuant to the PFRS, or such other accounting standards which succeed PFRS, as adopted by the Republic of the Philippines and applied by ALCO for drawing up its consolidated financial statements for the relevant financial year. |
| 15. | Tax Event..... | A tax event (“ Tax Event ”) shall occur if dividend payments or other amounts payable on the Series F Preferred Shares become subject to higher withholding tax or any new tax (including a higher rate of an existing tax) as a result of certain changes in law, rule or regulation, or in the interpretation thereof. |
| 16. | Change in Control Event..... | <p>A change in control event (“Change in Control Event”) shall be deemed to have occurred when:</p> <ul style="list-style-type: none"> (a) CPG Holdings, Inc. (“CPG”) and AO Capital Holdings 1, Inc. (“AOCH1”) (or together with any of their respective affiliates) collectively cease to own at least 51% of the voting capital stock of ALCO and to retain the power to elect a majority of the BOD; or (b) CPG (alone or together with any affiliate) ceases to own at least 31% of the voting capital stock of ALCO; or (c) AOCH1 (alone or together with any affiliate) ceases to own at least 20% of the voting capital stock of ALCO. <p>The term “affiliate”, for purposes of the definition of the Change in Control Event, means a corporation (i) at least 67% of the total issued and outstanding voting capital stock is directly or indirectly (computed in the same manner as the grandfather rule) owned by, and (ii) which is controlled by, directly or indirectly, the individuals who, as of Issue Date, are the ultimate owners of CPG or AOCH1, as applicable.</p> <p>For purposes of this definition, “control” means the possession, directly or indirectly, by a person of the power to elect and remove at least a majority of the total number of the BOD or other governing body of the corporation, or otherwise direct or cause the direction of management and policies of the corporation, whether through ownership of voting securities, contract or otherwise; provided, that a person’s direct ownership of voting securities of over fifty</p> |

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| | | <p>percent (50%) of the issued and outstanding voting capital stock of the corporation is deemed to constitute control of that corporation. "Controlled by" shall have the corresponding meaning.</p> <p>If a Change in Control Event has occurred, ALCO may at any time redeem the Series F Preferred Shares, subject to the conditions stated under "<i>Optional Redemption</i>". Unless the Series F Preferred Shares are redeemed within thirty (30) days from the occurrence of a Change in Control Event, the Dividend Rate will be increased as provided under "<i>Optional Redemption</i>".</p> <p>At any time before the occurrence of Change in Control Event, or on the date of such occurrence, or within seven (7) Banking Days from the occurrence of a Change in Control Event, ALCO, acting through its Corporate Secretary or through such other officer as may be authorized by its BOD, shall give written notice to the Stock Transfer Agent, the SEC and the PSE, of the Change in Control Event. As applicable, the said notice may likewise indicate that ALCO will redeem the Series F Preferred Shares pursuant to the provisions and subject to the conditions stated under "<i>Optional Redemption</i>".</p> |
| 17. | No Sinking Fund..... | ALCO is not legally required and has not established, and currently has no plans to establish, a sinking fund for the redemption of the Series F Preferred Shares. |
| 18. | Purchase of the Series F Preferred Shares..... | Subsequent to the listing of the Series F Preferred Shares on the PSE, and subject to compliance with applicable law and rules of the PSE, ALCO may purchase the Series F Preferred Shares at any time at market prices through the facilities of the PSE, or by tender offer or negotiated sale, subject, however, to the relevant PSE approval for a regular or special block sale (as applicable), without the obligation to purchase or redeem the other Series F Preferred Shares. |
| 19. | Reissuability | <p>The Series F Preferred Shares are reissuable such that in case of redemption, they shall not be considered retired and may be re-issued by ALCO on such terms and conditions as may be determined and approved by the Board of Directors.</p> <p>Nonetheless, ALCO may subsequently amend this term to provide that all the Series F Preferred Shares shall, upon redemption, be cancellable and retired, in case ALCO determines that it is more beneficial to it and/or the holders thereof.</p> |
| 20. | Taxation..... | Subject to the provisions set forth below, all payments in respect of the Series F Preferred Shares are to be made free and clear of any deductions or withholding for or on account of any future taxes or duties imposed by or on behalf 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, ALCO will pay additional amounts so that holders of the Series F Preferred Shares will receive the full amount of the relevant payment which otherwise would have been due and payable.

Notwithstanding the foregoing, ALCO shall not be liable for, and the foregoing payment undertaking of ALCO shall not apply to:

- (a) any withholding tax applicable to dividends earned by or any amounts payable to the holders of the Series F Preferred Shares prescribed under the National Internal Revenue Code of the Philippines, as amended, including any additional tax on such dividends or any such payables imposed by changes in law, rule or regulation;
- (b) any income tax including capital gains 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) or buy back of the Series F Preferred Shares, or on the liquidating distributions as may be received by a holder of Series F Preferred Shares;
- (c) any expanded value added tax which may be payable by any holder of the Series F Preferred Shares on any amount to be received from ALCO;
- (d) any withholding tax, including any additional tax imposed by change in law, rule or regulation, on dividend or any amount payable to any holder of Series F Preferred Shares which is a non-resident holder; and
- (e) applicable taxes on any subsequent sale or transfer of the Series F Preferred Shares by any holder of the Series F Preferred Shares which shall be for the account of the said holder (or the buyer in case such buyer shall have agreed to be responsible for the payment of such taxes).

Documentary stamp tax for the primary issue of the Series F Preferred Shares and the documentation, if any, shall be for the account of ALCO.

All sums payable by ALCO to tax-exempt entities shall be paid in full without deductions for taxes, duties, assessments or governmental charges, or to entities claiming preferential rate shall be paid after deducting such preferential rate, provided in each case that said entities present proof of such

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| | | <p>tax-exempt status from the tax authorities hold ALCO, an undertaking to indemnify and hold ALCO, the Stock Transfer Agent 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 other documents as may be required by ALCO in its sole discretion. ALCO shall have the exclusive discretion to decide whether the documents submitted are sufficient for purposes of applying the exemption or the preferential rate being claimed by applicant or the holder of Series F Preferred Shares on the interest and other payments to be made to such applicant or holder.</p> <p>Whether or not the investor or holder or transferee of Series F Preferred Shares is entitled to the exemption or preferential tax rate under the applicable tax treaty, and consequently, whether a request for confirmation shall be filed shall be at the sole discretion of ALCO.</p> <p>Unless timely and properly provided with satisfactory proof of the tax-exempt status or entitlement to preferential tax treatment of an applicant or a holder of the Series F Preferred Shares, the Stock Transfer Agent and Paying Agent may assume that said applicant or holder is taxable at the regular rate and proceed to apply the tax due on the Series F Preferred Shares. Notwithstanding the submission by the applicant or holder, or the receipt by ALCO or any of its agents, of documentary proof of the tax-exempt status or entitlement to preferential tax treatment of an applicant or holder, ALCO may, in its sole discretion, determine that such shareholder is taxable and require the Stock Transfer Agent and Paying Agent to proceed to apply the tax at the regular rate due on the Series F Preferred Shares. Any question on such determination shall be referred to ALCO.</p> <p>Please see “<i>Taxation</i>” in the Prospectus for the Philippine tax consequences of the acquisition, ownership and disposition of Series F Preferred Shares.</p> |
| 21. | Liquidation Rights | <p>In the event of a return of capital in respect of ALCO’s winding up or otherwise (whether voluntarily or involuntarily) (but not on a redemption or purchase by ALCO of any of its share capital), the holders of the Series F Preferred Shares at the time outstanding will be entitled to receive, in Philippine Pesos out of the assets of ALCO available for distribution to shareholders, together with the holders of any other shares of ALCO ranking, as regards repayment of capital, <i>pari passu</i> with the Series F Preferred Shares and before any distribution of assets is made to holders of any class of ALCO shares ranking junior to the Series F Preferred Shares as regards repayment of capital, liquidating distributions in an amount equal to the Offer Price per share plus an amount equal to the Arrears in Dividends, any dividends declared unpaid in respect of the previous dividend period, and any accrued and unpaid</p> |

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| | | <p>dividends for the then current dividend period to (and including) the date of commencement of ALCO'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 winding up of ALCO, the amount payable with respect to the Series F Preferred Shares and any other shares of ALCO ranking as to any such distribution <i>pari passu</i> with the Series F Preferred Shares are not paid in full, the holders of the Series F Preferred Shares and of such other shares will share proportionately in any such distribution of the assets of ALCO 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 Series F Preferred Shares will have no right or claim to any of the remaining assets of ALCO and will not be entitled to any further participation or return of capital in a winding up.</p> |
| 22. | Form, Title and Registration of the Series F Preferred Shares..... | <p>The Series F Preferred Shares will be issued in scripless form through the electronic book-entry system of the 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. For this purpose, applicants shall indicate in the proper space provided for in the Application to Purchase (as defined below) the name of a PSE trading participant under whose name their Series F Preferred Shares will be registered.</p> <p>After Listing Date, shareholders may request their nominated PSE trading participant, to uplift their shares and issue stock certificates evidencing their investment in the Series F Preferred 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 Series F Preferred Shares will be shown in the Registry of Shareholders which shall be maintained by the Stock Transfer Agent. The Stock Transfer Agent shall send a transaction confirmation advice confirming every receipt or transfer of the Series F Preferred Shares. 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 Series F Preferred Shares and subsequent transfers of interests in the Series F Preferred 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 Series F Preferred Shares to be effected on the PSE, but any off-exchange transfers will subject the transferor to a capital</p> |

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| | | gains tax that may be significantly greater than the stock transfer tax applicable to transfers effected on an exchange. Please see “ <i>Taxation</i> ” in this Prospectus and the Prospectus. All transfers of shares on the PSE must be effected through a licensed stock broker in the Philippines. |
| 23. | Title and Transfer..... | Legal title to the Series F Preferred 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 Series F Preferred 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. |
| 24. | Status of the Series F Preferred Shares in the Distribution of Assets in the Event of Dissolution..... | <p>The Series F Preferred Shares will constitute the direct and unsecured subordinated obligations of ALCO ranking at least <i>pari passu</i> in all respects and ratably without preference or priority among themselves.</p> <p>The Series F Preferred Shares rank junior in right of payment to all indebtedness of the Company and claims against the Company which rank or are expressed to rank senior to the Series F Preferred Shares. Accordingly, the obligations of the Company under the Series F Preferred Shares will not be satisfied unless the Company can satisfy in full all of its other obligations ranking senior to the Series F Preferred Shares.</p> <p>There is no agreement or instrument that limits or prohibits the ability of ALCO to issue Series F Preferred Shares or other securities, and ALCO may at any time issue such other securities, that rank <i>pari passu</i> with the Series F Preferred Shares or with terms and conditions different from the Series F Preferred Shares.</p> <p>For the avoidance of doubt, the Series A and Series E Preferred Shares rank junior in right of payment and claims against the Company to the Series C, Series D and Series F Preferred Shares.</p> |
| 25. | Selling and Transfer Restrictions..... | After listing, the subsequent transfers of interests in the Series F Preferred Shares shall be subject to normal selling restrictions for listed securities as may prevail in the Philippines from time to time. |
| 26. | Governing Law..... | The Series F Preferred Shares will be issued pursuant to the laws of the Republic of the Philippines. |
| Other terms of the Offer shall be set out in the Prospectus. | | |