

## **UNDERWRITING AGREEMENT**

This **Underwriting Agreement** ("Agreement") is entered into this \_\_\_\_ day of \_\_\_\_\_ 2015, by and among:

**STA. LUCIA LAND, INC.**, represented herein by its [position], [Name of Signatory](hereinafter referred to as the "**Issuer**");

-and-

**CHINA BANKING CORPORATION**, represented herein by its First Vice President, VIRGILIO O. CHUA, and its Vice President, MANUEL C. SAN DIEGO(hereinafter referred to as "**CBC**");

(In its capacity as Issue Manager for the Offer, as defined in the Recitals below, CBC is referred to as the "Issue Manager;" in its capacity as underwriter of the Offer, CBC is referred to as the "Lead Underwriter;" and when acting or referred to in the context of the provisions as issue manager for and lead underwriter of the Offer, CBC is referred to as the "Issue Manager and Lead Underwriter". Each of the Issuer and CBC is referred to herein as a "Party", and collectively referred to as the "Parties".)

### **RECITALS:**

- (a) The Issuer has been authorized by the Securities and Exchange Commission ("SEC") to offer for public distribution and sale in the Philippines of [●]% Series A fixed rate bonds due on [●] (the "Series A Bonds") and [●]% Series B fixed rate bonds due on [●](together, with the Series A Bonds, the "Bonds"), in an aggregate principal amount of up to ₱3,000,000,000.00, with an over-subscription of up to ₱2,000,000,000.00 (the "Overallotment Bonds"), as may be determined by the Lead Underwriter (the "Overallotment Option").
- (b) The Issuer desires to appoint CBC as the Issue Manager to manage the public offering, distribution, and sale of the Bonds, and on the basis of the representations and warranties of the Issuer and under the terms and conditions hereinafter set forth, CBC has accepted the said appointment;
- (c) The Issuer further desires to appoint CBC as the Lead Underwriter to distribute and sell the Bonds based on the terms and conditions herein contained and those contained in the Prospectus, and the latter has agreed to underwrite, on a firm basis, the Bonds for up to ₱3,000,000,000.00, for the consideration and on the terms and subject to the conditions hereinafter contained;
- (d) China Banking Corporation Trust Group ("CBC-TG") has offered to act as, and the Issuer desires to appoint CBC-TG as, the Trustee of the Bondholders, to perform the

functions provided in the Trust Agreement in relation to the Bonds based on the Terms and Conditions of the Bonds; and

- (e) Philippine Depository & Trust Corp. ("PDTC") has offered to act as, and the Issuer desires to appoint PDTC as, the Registrar and Paying Agent, to perform the functions as such provided in the Registry and Paying Agency Agreement in relation to the Bonds based on the Terms and Conditions of the Bonds.

**NOW THEREFORE**, for and in consideration of the foregoing premises, the Parties herein have agreed as follows:

### **Section 1. DEFINITIONS**

Terms defined in the Trust Agreement dated [●] between the Issuer and the Trustee and the Terms and Conditions of the Bonds have the same meaning when used in this Agreement, except where otherwise defined in this Agreement and where the context requires otherwise.

All terms defined in the Trust Agreement, when used in this Agreement, shall have their defined meanings when used in any certificate, report, or other document or instrument made or delivered pursuant hereto. All Annexes shall be considered integral parts of this Agreement. Titles of provisions in this Agreement are used for convenience of reference only and do not limit or affect the interpretation of the provisions hereof. Words denoting persons shall include individuals, corporations, partnerships, joint ventures, trusts, unincorporated organizations, political subdivisions, agencies, or instrumentalities. Other than to a "third party", references to "party", "parties" or "parties hereto" or similar references are to be construed as references to a party or the parties to this Agreement and references to "Section" or "Sections" are to be construed as references to Sections of this Agreement. No representation, undertaking, or promise shall be taken to have been given or be implied from anything said or written in negotiations among the parties prior to the execution of this Agreement, except as set out herein.

### **Section 2. THE OFFER**

- 2.1 The Issuer hereby agrees to offer the Bonds for the distribution and sale by the Lead Underwriter in accordance with the terms and conditions of this Agreement.
- 2.2 The Bonds shall be offered to the public in minimum denominations of ₱ 50,000.00 each, and in multiples of ₱10,000.00 thereafter.
- 2.3 The Issuer undertakes to list the Bonds for trading in the Philippine Dealing & Exchange Corp ("PDEX") within a reasonable period of time from the date of execution of this Agreement.

- 2.4 The Bonds have been given a rating of [AAA] by the Philippine Rating Services Corporation ("PhilRatings").

**Section 3. UNDERWRITING COMMITMENT**

- 3.1 Subject to the provisions of this Agreement, the LeadUnderwriter shall offer, distribute, and sell the Bonds within the Philippines during the Offer Period, and the Lead Underwriter agrees to underwrite, on a firm basis, the Bonds for up to ₱3,000,000,000.00, based on the terms and conditions of this Agreement.

The Lead Underwriter confirms that it is authorized to perform the duties and functions required of it under this Agreement.

- 3.2 In addition to the Underwriting Commitment, the Issuer hereby grants the Lead Underwriter the Overallotment Option. In the event that the Overallotment Option is exercised, the Lead Underwriter shall have the exclusive rights and priority toward the allocation, offer, and sale of any Overallotment Bonds.
- 3.3 Relying on the representations and warranties contained in Section 7 hereof and subject to the satisfaction by the Issuer of the conditions set out in Section 5 hereof, the LeadUnderwriter hereby agrees that it shall be deemed, as of 5:00 p.m. on the last day of the Offer Period (the "Closing"), to have irrevocably agreed to purchase, on the terms set forth herein, the base offer size of the Bonds up to ₱3,000,000,000.00 that remain unsold at such time, inclusive of Bonds which were subject of an Application (as such term is defined in Section 4.1 hereof) by an applicant whose payment eventually did not clear due to insufficient funds or some other reason solely attributable to that applicant. Such purchase by the LeadUnderwriter of the unsold Bonds shall be included in the Final Sales Report to be submitted by the LeadUnderwriter to the Registrar.
- 3.4 For the duration of the Offer Period, the Bonds may be acquired only through the Lead Underwriter, or such other entities authorized by the Issuer.
- 3.5 The Lead Underwriter shall not be responsible for the accuracy or completeness of any representation, warranty, statement, or any other information contained in the Registration Statement or the Prospectus, or any information or agreement, supplied or disclosed by the Issuer in connection with the Offer.

#### **Section 4. PROCEDURES AND REQUIREMENTS FOR THE OFFER**

##### **4.1 Issuance Subject to Availability and Acceptance**

The issuance of Bonds to any applicant which has submitted a completed application to purchase ("Application") shall be subject to the availability of the Bonds and the acceptance of such Application by the Lead Underwriter and the Issuer.

##### **4.2 Reports by the Lead Underwriter**

Not later than 5:00 p.m., three (3) Business Days before the Issue Date, the Lead Underwriter shall submit to the Registrar the following:

- (i) the Final Sales Report (in the form to be provided by the Registrar to the Lead Underwriter) detailing the purchases of the Bonds by the applicants, and indicating among others documentary deficiencies (if any). The Final Sales Report shall also include a notarized certification that: (i) all information contained therein are accurate and have been verified against the accompanying Applications; (ii) the accompanying Applications are genuine, complete, and accurate; and (iii) the Final Sales Report contains the complete listing of all accepted applicants; and
- (ii) the Registrar's copy of each duly accomplished Application, together with all documentary requirements.

The Registrar shall solely rely on the completeness and accuracy of the data provided in the Final Sales Report for the purpose of opening the account of the Bondholder in the Registry Book ("Registry Account"). The Registrar shall register in its Registry Book on Issue Date the amount of the Bonds held by each accepted applicant and the information needed to create the Registry Account based solely on the certified Final Sales Reports from the Lead Underwriter.

##### **4.3 Deficient Applications**

The Lead Underwriter shall have until 12 noon on the fifth(5<sup>th</sup>) Business Day after the Issue Date (the "Curing Period") to remedy or cure any documentation deficiency as stated in the Final Sales Report. The Registrar will not issue a Registry Confirmation to the Bondholder pending completion of documentation. In addition, such Bondholder will not be allowed to sell or transfer his securities until such deficient document/s has been remedied.

##### **4.4 Rejected Applications**

In the event that an Application must be rejected due to written instruction of the Issuer, which must be done before the deadline for the submission of the

Final Sales Report, notwithstanding Sections 3.1 and 3.3 of this Agreement, (i) the Lead Underwriter's performance of its obligations under this Agreement shall not be deemed incomplete or deficient solely due to a rejection by the Issuer; and (ii) the Lead Underwriter shall not be required to purchase any Bonds which are unsold as of Closing or incur any costs, solely due to a rejection by the Issuer.

4.5 Corrections or Adjustments to the Final Sales Reports Submitted to the Registrar

Any subsequent change to the information once recorded by the Registrar in its Registry Book on Issue Date shall require the written authorization of the Bondholder, unless the change is to correct information provided in the Final Sales Report to make it consistent with the Application. All changes in the entries shall require an affidavit from the Lead Underwriter attesting to the propriety of such change and payment by the Lead Underwriter of a fee amounting to ₱80.00, or as the same may be updated from time to time, for each account requiring changes to the entries. Any request for changes to the entries must be made by the Lead Underwriter during the Curing Period.

4.6 Reconciliation of Subscriptions

Upon receipt by the Registrar of the documents described in Section 4.2 above, the Issuer shall cause the Registrar to:

- (a) verify the completeness of the number of applications submitted to the Registrar against the total number of applicants indicated in the certified Final Sales Report and confirm that the total sales as indicated in the Final Sales Report submitted by the Lead Underwriter are within the total amount of Bonds authorized for sale by the SEC, and consistent with the Commitment of the Lead Underwriter; and
- (b) in the event that the Registrar determines that there is any documentation deficiency or error in the submission of the Lead Underwriter, coordinate with the Lead Underwriter for the latter to immediately take the necessary action to remedy the deficiency.

4.7 Remittance of Proceeds to Issuer

The Issue Manager and Lead Underwriter shall, at least two (2) Business Days prior to the Issue Date, furnish the Issuer a computation of the total proceeds and the net proceeds of the Offer.

The total proceeds of the Offer shall be remitted by the Lead Underwriter to the Issuer on or before 11:00 a.m. on Issue Date in same day available funds, or otherwise through Real Time Gross Settlement Remittance, to the following account:

Beneficiary bank: [•]  
Address: [•]  
Swift code: [•]  
Beneficiary account name: [•]  
Beneficiary account no.: [•]  
Beneficiary address: [•]

The total amount to be remitted by the Lead Underwriter shall be equal to the total Underwriting Commitment in accordance with Section 3.1, and subject to Section 4.4 above.

On or before 11:00 a.m. on the Issue Date, the Issuer and Issue Manager and Lead Underwriter shall determine whether there are deficiencies or errors in the amounts remitted. In case there is any error or deficiency, the Issue Manager and Lead Underwriter shall immediately take such necessary action as to correct the deficiency or error.

#### 4.8 Remittance of Deficiency

In the event the Lead Underwriter fails to remit the sums due to the Issuer as proceeds of the Offer in accordance with Section 4.7, it shall be liable to remit the deficient sums to the Issuer, to the extent of its underwriting commitment, by means mutually agreed upon by the Parties, on or before 12:00 noon of the Issue Date.

#### 4.9 Payment of Underwriting Fees

No later than 11:00 a.m. one (1) Business Day immediately following the Issue Date, the Issuer shall make available a corporate cheque in the amount of the fees of the Lead Underwriter as provided under Section 12 below, payable to the Lead Underwriter, for pick up by the Lead Underwriter at the principal office of the Issuer.

#### 4.10 Documents to be Delivered by the Registrar

On the sixth(6<sup>th</sup>) Business Day after Issue Date, the Registrar shall deliver:

- (a) to the Issuer, the complete and final list of Bondholders; and
- (b) to the Paying Agent, one (1) signature card for each duly accepted Application.

### **Section 5. CONDITIONS TO THE UNDERWRITING COMMITMENT**

5.1 The obligations of the Issue Manager and Lead Underwriter under this Agreement are conditional upon the following:

- (i) On or before the start of the Offer Period:

- (a) the receipt by the Issue Manager and Lead Underwriter of an original certificate executed under oath by the Corporate Secretary of the Issuer certifying to (i) the resolutions of the Issuer's Board of Directors authorizing the execution, delivery and performance of this Agreement and of the Bonds, (ii) the authority, name, title, and specimen signature of each individual authorized to execute this Agreement and any document pursuant to the issuance of the Bonds and any other documents in relation thereto on behalf of the Issuer and to bind the Issuer thereby, and (iii) such other matters as shall reasonably be requested in writing by the Lead Underwriter; provided that, such written request shall be served by the Lead Underwriter to the Issuer not later than the Business Day prior to the Issue Date; provided further that, should the Issuer need more time to comply with the additional requirement, the Lead Underwriter hereby agrees to accept an undertaking by the Issuer to deliver such additional requirement within a reasonable time;
  - (b) the delivery to the Issue Manager and Lead Underwriter of one (1) copy of the Prospectus and a specimen copy of the Application to which the Issuer has signified in writing its conformity to the form and substance, including the authenticity and veracity of the information contained therein;
  - (c) the receipt by the Issue Manager and Lead Underwriter of a copy, duly-certified by the Corporate Secretary of the Issuer, of the SEC Order of Effectivity signifying the approval by the SEC of the Issuer's Registration Statement for the registration of the Bonds, and the issuance by the SEC of the Permit to Sell; and
  - (d) The receipt by the Lead Underwriter from the Issuer, not later than the Issue Date, of a written confirmation dated as of the Issue Date that there has been no change in the representations and warranties of the Issuer enumerated in Section 7;
  - (e) the receipt by the Issue Manager and Lead Underwriter of a certification from the Issuer stating that, to the best of its knowledge, it is not on the credit watch of any credit rating agency, nor is it being considered for credit watch nor is it aware of any reason why it is likely to be placed on credit watch during the period of forty five (45) days from the date of this Underwriting Agreement.
- (ii) On the Issue Date:
    - (a) The receipt by the Issue Manager and Lead Underwriter of an original opinion of counsel to the Issuer and addressed to the Issue Manager

and Lead Underwriter substantially in the form attached hereto as Annex "A";

- (b) The receipt by the Issue Manager and Lead Underwriter of an original opinion of counsel to the Lead Underwriter and addressed to the Issue Manager and Lead Underwriter substantially in the form attached hereto as Annex "B"; and
- (c) The receipt by the Issue Manager and Lead Underwriter of the comfort letter from the auditor/s covering the agreed period, and addressed to the Issue Manager and Lead Underwriter.

- 5.2 In the event that any of the above conditions is not fulfilled on or prior to the Issue Date, then this Agreement and the obligations of the parties hereunder shall forthwith terminate, save in respect of the obligations which may have accrued under Section 8, as well as costs and expenses under Section 12.2 hereof, and any obligation arising out of any breach of any provision of this Agreement which has occurred prior to such termination.

#### **Section 6. INFORMATION, DELIVERY, AND USE OF PROSPECTUS**

- 6.1 The Issuer agrees to provide the Issue Manager and Lead Underwriter with such information, execute such documents, and perform such acts which may be required by the SEC to comply with the pertinent provisions of the Securities Regulation Code and other applicable laws relating to the Offer. Further, the Issuer agrees to provide the Issue Manager and Lead Underwriter with such information which may be reasonably required by the Issue Manager and Lead Underwriter for the purposes of determining the fulfillment by the Issuer of the conditions contained in Section 5 of this Agreement.
- 6.2 The Issuer hereby authorizes the use by the Lead Underwriter of the Prospectus and the Application for the purposes of the Offer. The Issuer shall, through the Issue Manager and Lead Underwriter, furnish and deliver as many copies of the Prospectus and Application as the Issue Manager and Lead Underwriter may reasonably request.

#### **Section 7. REPRESENTATIONS AND WARRANTIES OF THE ISSUER**

The Issuer hereby represents and warrants to the Issue Manager and Lead Underwriter as follows:

- 7.1 The Issuer is a corporation duly formed, established, validly existing, and in good standing under and by virtue of the laws of the Republic of the Philippines; has its principal office at the address indicated in this Agreement; is registered or qualified to do business in every jurisdiction where registration or qualification is necessary; and has the corporate power and authority to



conduct its business as presently being conducted and to own its properties and assets now owned by it as well as those to be hereafter acquired by it for the purpose of its business; and the entering into and performance of this Agreement and all Applications to Purchase by the Issuer does not conflict with the articles of incorporation, by-laws and other constitutive documents of the Issuer and has been duly authorized by all necessary corporate and legal action on the part of the Issuer.

- 7.2 All corporate authorizations, approvals, and other acts legally necessary for the Offer and issuance of the Bonds and for the Issuer to enter into and comply with its obligations under this Agreement and all Applications which may be duly accepted by the Issuer have been obtained or effected or shall have been obtained or effected on or before the Offer Period for the Bonds.
- 7.3 All government authorizations, approvals, rulings, registrations, and other acts legally necessary for the Offer and issuance of the Bonds, for the circulation of the Prospectus for the Bonds, as may be amended or supplemented, and for the Issuer to enter into and comply with its obligations under this Agreement and all Applications which may be duly accepted by the Issuer have been obtained or effected or shall have been obtained or effected on or before the Offer Period for the Bonds.
- 7.4 All conditions imposed under the Securities Regulation Code, including those imposed by the SEC in the Permit to Sell issued pursuant to the Securities Regulation Code, and any subsequent conditions imposed by the SEC for the Offer under this Agreement have been and shall have been complied with by the Issuer as of the date and/or time that they are required to be complied with.
- 7.5 The Registration Statement and the Prospectus do not violate any statute, or any rule or regulation of any government agency or office and do not contain any untrue or misleading statement of a material fact or omit any material fact necessary or required to be stated therein for purposes of fair disclosure or to prevent any statement therein from becoming misleading. The Registration Statement and the Prospectus contain a reasonably complete description of the business, properties, and operations of the Issuer, its capitalization, the Bonds and the Terms and Conditions of the Offer. Except as otherwise disclosed by the Issuer to the Trustee, and except as otherwise disclosed in the Prospectus under the section "Forward Looking Statements", such Registration Statement and the Prospectus shall continue to be materially correct during the Offer Period.
- 7.6 (i) The Offer and the obligations of the Issuer under the Bonds and this Agreement shall constitute its legal, valid, and binding obligations enforceable in accordance with the terms thereof and the Offer, subject to applicable insolvency, moratorium and similar laws affecting creditors' rights generally; (ii) the compliance by the Issuer with its obligations under this Agreement shall not conflict with, nor constitute a breach of or default of, the Articles of

Incorporation, By-laws, or any resolution of the Board of Directors of the Issuer, or any rights of the stockholders of the Issuer; or (iii) the compliance by the Issuer with its obligations under this Agreement shall not conflict with, nor constitute a breach of or default of any contract or other instrument by which the Issuer or any of its assets may be bound, the result of which would have a Material Adverse Effect.

- 7.7 The execution, delivery and performance, of this Agreement, and issue of the Bonds, will not violate in any material respect any provision of any existing Law of the Republic of the Philippines, or any regulation, judgment, or order of any office, agency, or instrumentality thereof, applicable to the Issuer or any undertaking to which the Issuer is a party.
- 7.8 Except as the Issuer may have otherwise disclosed in the Prospectus, there are no legal, administrative, or arbitration actions, suits, or proceedings pending or, to the best of its knowledge, threatened against or affecting the Issuer which enjoin or otherwise adversely affect the execution, delivery, or performance of this Agreement, the Offer, or the issuance of the Bonds, or the adverse determination of which would have a Material Adverse Effect.
- 7.9 The Financial Statements are in accordance with the books and records of the Issuer, are complete and correct in all material respects, have been prepared in compliance with the Philippine Financial Reporting Standards, and fairly present the financial condition of the Issuer and results of its operations as of the date thereof and for the period then ended. Since such date of the Financial Statements, or as of [30 June 2015], there has been no change in the financial condition or results of operations of the Issuer sufficient to impair its ability to perform its obligations under the Bonds according to the terms thereof.
- 7.10 Except to the extent reflected or adequately reserved against in the Financial Statements or in the explanatory notes thereto, the Issuer has, as of the date thereof, no other accrued or absolute liabilities or obligations of any nature, including but not limited to tax liabilities; and any contingent liabilities, including, but not limited to, tax liabilities to become due, and whether incurred in respect of or measured by any income for any period prior to such date or arising out of transactions entered into or any state of facts existing prior thereto, which would likely to have either in any case or in the aggregate, Material Adverse Effect..
- 7.11 Except as disclosed in the Issuer's quarterly financial statements, or in writing to the Bondholders, through the Trustee, since the respective dates as of which information is given in the Registration Statement and the Prospectus, there has been no change in the financial condition, assets and liabilities of the Issuer, other than changes which would not be likely to have, either in any case or in the aggregate, a Material Adverse Effect.

- 7.12 All the information provided to the Bondholders by the Issuer are true in all material respects as of their respective dates and are not misleading and any expressions of opinion were made in good faith with due care and based on reasonable assumptions and the Issuer is not aware of any facts or matters not disclosed to the Bondholders or the omission of which makes any such information or opinion incorrect or misleading in any material respect.
- 7.13 (i) no event has occurred which would constitute an Event of Default; (ii) the Issuer has not been declared in default in respect of any financial commitment or obligation; (iii) the Issuer is not otherwise in default of any kind in respect of any financial commitment or obligation which would be likely to have a Material Adverse Effect; and (iv) the Issuer is not aware of a fact which (with the giving of notice and/or lapse of time or otherwise) would constitute such a default.
- 7.14 The Bonds, when issued, shall represent the direct, unconditional, unsecured, and unsubordinated obligations of the Issuer to the Bondholders, enforceable according to the terms and conditions thereof. The obligations of the Issuer under the Bonds shall at all times rank at least *paripassu* in all respects and ratably without any preference or priority (except for any statutory preference or priority applicable in the winding-up of the Issuer) amongst themselves and at least *paripassu* with all other outstanding unsecured and unsubordinated obligations (contingent or otherwise, present or future) of the Issuer.
- 7.15 No other loan or other facility currently or to be entered into by the Issuer is notarized such that no other loan or facility to which Issuer is a party shall have preference or priority over the Bonds as accorded to public instruments under Article 2244(14) of the Civil Code of the Philippines, and all creditors under any such loans or facilities have waived the right to the benefit of any such preference or priority. However, should any creditor hereinafter have a preference or priority over amounts due under the Bonds as a result of a notarization then the Issuer shall procure a waiver of this preference created by such notarization.
- 7.16 The Issuer has valid, good, indefeasible and marketable title to all its properties free and clear of all Security Interests other than Permitted Security Interests.
- 7.17 The Issuer (i) is conducting its business and operations in compliance with Law; and (ii) has duly paid and discharged all taxes, assessments, and such other governmental charges levied upon or against it, its properties, and assets unless and to the extent only that the same (x) will not singly or in aggregate be likely to have a Material Adverse Effect, or (y) are being contested in good faith and by appropriate proceedings diligently conducted and a provision is made therefor where so required and in accordance with PFRS.

- 7.18 The Issuer agrees that until the earlier of: (i) the Issue Date of the Bonds, or (ii) subject to Section 11 hereof, the termination of this Agreement, it will not negotiate, syndicate or privately place, any other domestic Philippine Peso-denominated fundraising without the prior written consent of the Lead Underwriter, which consent shall not be reasonable withheld..
- 7.19 All pieces of information supplied or provided by the Issuer for the due diligence review and other purposes are, in all material respects, true, correct, complete, and binding on the Issuer, and may be fully relied upon by the Lead Underwriter without any obligation or liability on it to ascertain their truth, validity, enforceability, legality, or binding effect on the Issuer. No material information has been withheld or otherwise not made available by the Issuer to the Lead Underwriter.
- 7.20 The Issuer obtained or will promptly obtain all such necessary and desirable government permits, consents, and authorizations that may be required for the conduct and continuance of its business, except for any failure to possess any license, certificate, permit, or other authorization that would not be expected to have a Material Adverse Effect.
- 7.21 The individual(s) signing this Agreement on behalf of the Issuer are duly authorized to sign as of the date of such signing.
- 7.22 The Issuer is not entitled to plea or cause to be pleaded on its behalf any right of immunity for itself or any of its assets in any action to enforce its obligations hereunder, which may be instituted against the Issuer by any competent court or court of arbitration.
- 7.23 Neither the Issuer, nor any of its Subsidiaries, nor any of their respective directors, officers or employees nor, to the knowledge of the Issuer, any persons acting on any of their behalf: (a) is a Restricted Party; or, (b) has received notice of or is aware of any claim, action, suit, proceeding or investigation against it with respect to Sanctions by any Sanctions Authority.

The Issuer hereby covenants that it shall not, and shall not permit or authorize any other person to, directly or indirectly, use, lend, make payments of, contribute or otherwise make available, all or any part of the proceeds from the Bonds or the Overallotment Bonds to fund any trade, business or other activities: (a) involving or for the benefit of any Restricted Party, or (b) in any other manner that would reasonably be expected to result in the Issuer being in breach of any Sanctions or becoming a Restricted Party.

For the purpose of this Section 7.23, "Restricted Party" means a person that is: (a) listed on, or owned or controlled by a person listed on, or acting on behalf of a person listed on, any Sanctions List; (b) located in, incorporated under the laws of, or owned (directly or indirectly) or controlled by, or acting on behalf of, a person located in or organized under the laws of a country or

territory that is the target of country-wide or territory-wide Sanctions; or (c) otherwise a target of Sanctions ("target of Sanctions" signifying a person with whom a US person or other national of a Sanctions Authority would be prohibited or restricted by law from engaging in trade, business or other activities). "Sanctions" means the economic sanctions laws, regulations, embargoes or restrictive measures administered, enacted or enforced by: (a) the United States government; (b) the United Nations; (c) the European Union (d) the United Kingdom; or, (e) the respective governmental institutions and agencies of any of the foregoing including, without limitation, the Office of Foreign Assets Control of the US Department of Treasury ("OFAC"), the United States Department of State, and Her Majesty's Treasury ("HMT") (together "the Sanctions Authorities"). And, "Sanctions List" means the "Specially Designated Nationals and Blocked Persons" list maintained by OFAC, the Consolidated List of Financial Sanctions Targets and the Investment Ban List maintained by HMT, or any similar list maintained by, or public announcement of Sanctions designation made by, any of the Sanctions Authorities.

The above representations and warranties are true and correct as of the date of this Agreement and shall remain true and correct up to the Issue Date with reference to the facts and circumstances then existing.

The Issuer shall forthwith notify the Issue Manager and Lead Underwriter if, at any time on or prior to the Issue Date, anything becomes known to the Issuer which renders or may render untrue or inaccurate any of its representations and warranties contained herein and forthwith take such steps as the Issue Manager and Lead Underwriter may reasonably require to remedy and/or publicize that fact, including the making of any announcement or circular.

The representations and warranties made by the Issuer in this Section shall be deemed made on each day of the Offer Period with reference to the facts and circumstances then existing and shall survive the completion of the Offer.

#### **Section 8. INDEMNITIES AND LIMITATION**

- 8.1 A Party shall only be liable for loss of profits, loss of income, loss of opportunity, incidental, consequential, special, nominal, exemplary or other like kinds of damages upon award by a competent court on final judgment.
- 8.2 The Issuer shall indemnify and hold the Issue Manager and Lead Underwriter, the latter's subsidiaries, affiliates, and their respective stockholders, officers, directors, agents, and employees (each an "Indemnified Party") free and harmless from any and all losses, claims, damages, liability, and expenses, or actions relating to or arising out of this Agreement, arising out of or by virtue of the Issuer's failure to comply with any of the Issuer's undertakings, covenants, or other obligations herein, breach of any of the representations and

warranties contained in this Agreement, any untrue or misleading (or allegedly untrue or misleading) statement in the Prospectus, or any omission (or alleged omission) of any fact necessary and required to be stated therein for the purposes of fair disclosure or to make such statement not misleading in the light of the circumstances under which it was made; Provided, further that the Issuer shall not be liable for any claim, loss, liability, damages, or action to the extent that a court of competent jurisdiction shall have rendered a final judgment that such claim, loss, liability, damages or action resulted directly from the gross negligence or willful default of the Issue Manager and Lead Underwriter; provided further that where the claim is partly attributable to the gross negligence or willful default of the Issue Manager and Lead Underwriter, the indemnity of the Issuer shall be reduced proportionately.

- 8.3 The liability of the Issuer, as set out in this Section 8, shall be limited to the total net proceeds from the Offer received by the Issuer.
- 8.4 The liability of the Lead Underwriter provided for in this Section 8 shall be limited to its underwriting fees. For the avoidance of doubt, this limitation of liability shall not be applied in case of gross negligence and willful misconduct on the part of the Lead Underwriter.
- 8.5 The Issuer shall reimburse the Indemnified Party for all expenses (including legal fees or other expenses) in connection with the investigation of or defense against any action or claim, or in connection with pending litigation in which such Indemnified Party is a party; provided, however, that the Issuer will not be liable for any claim, loss, liability, damages or action resulting directly from the gross negligence or willful default of the Issue Manager and Lead Underwriter, provided further that where the claim is partly attributable to the gross negligence or willful default of the Issue Manager and Lead Underwriter, the indemnity of the Issuer shall be reduced proportionately.
- 8.6 No such Indemnified Party shall have any liability (whether direct or indirect, in contract or tort or otherwise) to the Issuer in connection with this Agreement or the performance of the obligations contemplated by this Agreement except those that result primarily from the willful default or gross negligence of the Issue Manager and Lead Underwriter.

#### **Section 9. THE ISSUE MANAGER**

- 9.1 The duties and responsibilities of the Issue Manager are as follows:
  - (i) The Issue Manager shall manage the Offer and accordingly shall perform such duties and shall have such responsibilities as provided in this Agreement and in the separate mandate letter between the Issue Manager and the Issuer.

- (ii) In acting under this Agreement, the Issue Manager shall have no liability for the obligations of the Issuer.
  - (iii) Without diminishing its obligations under this Agreement, the Issue Manager may execute any of its duties by or through attorneys-in-fact. The Issue Manager may consult with legal counsel and other professional experts and consultants selected by them and shall not be liable for any action taken or omitted to be taken in good faith by them in accordance with the advice of such counsel, expert or consultant; provided that, the Issue Manager shall consult with the Issuer prior to undertaking or not undertaking any act on account of the advice of said counsel, expert, or consultant.
- 9.2 No provision in this Agreement shall be construed to relieve the Issue Manager from liability for its own grossly negligent action, its own grossly negligent failure to act, or its wilful misconduct; provided that, the Issue Manager shall not be liable for any error of judgment made in good faith by its responsible officer or officers, unless a court of competent jurisdiction shall have made a final determination that the Issue Manager was grossly negligent in ascertaining the pertinent facts.
- 9.3 None of the provisions contained in this Agreement shall require the Issue Manager to expend or risk its own funds or otherwise incur personal financial liability in the performance of any of its duties or in the exercise of any of its rights or powers if, in the determination the Issue Manager, there is reasonable ground for believing that the repayment of such funds or liability is not reasonably assured to them under the terms of this Agreement.
- 9.4 Notwithstanding any provision of this Agreement authorizing the Issue Manager conclusively to rely upon any certificate or opinion, the Issue Manager may, before taking or refraining from taking any action in reliance thereon, require further evidence or make any further investigation as to the facts or matters stated therein which they may deem reasonable under the circumstances.
- 9.5 The Issue Manager and Lead Underwriter shall provide the Registrar with sufficient access to information regarding the Bondholders to enable the Registrar to monitor compliance with any prohibition on holdings of the Bonds. The Registrar shall be entitled to rely on the strict performance by the Issue Manager and Lead Underwriter of its obligations under the Anti-Money Laundering Act ("AML"). Nothing herein shall be construed as preventing the Issue Manager and Lead Underwriter from performing its own investigation in accordance with the AMLA and its own internal guidelines and standards.

**Section 10. REPRESENTATIONS AND WARRANTIES OF THE ISSUE  
MANAGER AND LEAD UNDERWRITER**

The Issue Manager and Lead Underwriter represents and warrants to the Issuer as follows:

- 10.1 It is a duly authorized and licensed investment house or universal bank with the appropriate underwriting license in the Philippines and has full power and authority to undertake its underwriting commitment hereunder.
- 10.2 It has secured all corporate authorizations, approvals and other acts legally necessary to enter into and comply with its obligations under this Agreement.
- 10.3 Its obligations under this Agreement shall constitute its legal, valid and binding obligations enforceable in accordance with the terms thereof, and its compliance with its obligations under this Agreement shall not conflict with, nor constitute a breach of or default of, its Articles of Incorporation, By-laws or any resolution of its Board of Directors, or any contract or other instrument by which it is bound, or by any law of the Republic of the Philippines or any regulation, judgment, or order of any office, agency or instrumentality thereof applicable to the Issue Manager and Lead Underwriter.
- 10.4 It shall not give any information or make any representation in respect of the Issuer, the offering, and the Bonds, other than those contained in the Prospectus, including any amendment or supplement thereto, or any other sales literature approved in writing by the Issuer.
- 10.5 Since no action has been taken to permit an offering of the Bonds, or the distribution of the Prospectus, in any jurisdiction other than the Philippines, it shall not offer for sale or distribute any of the Bonds, or distribute copies of the Prospectus in any other jurisdiction, except under circumstances that will not result in any violation of any applicable law and/or regulation.

#### **Section 11. TERMINATION**

- 11.1 The Issuer, by notice in writing delivered to the Issue Manager and Lead Underwriter, may suspend or terminate this Agreement if, on or before the Issue Date, the Issue Manager and Lead Underwriter fails to perform any of its undertakings, covenants, and obligations herein, or if any of its material representations and warranties herein is untrue or misleading or has become untrue or misleading, and such supervening event could not be corrected by the Issue Manager and Lead Underwriter within a curing period as may be agreed upon by the Issuer with the Issue Manager and Lead Underwriter.
- 11.2 The Issue Manager and Lead Underwriter may likewise suspend this Agreement by written notice of suspension or terminate the same by an irrevocable written notice of termination to the Issuer if, on or before the Issue Date, any of the following events occurs and is not remedied:



- (i) The Issuer fails to perform any of its undertakings, covenants, and obligations herein, or if any of its material representations and warranties herein is untrue or misleading or has become untrue or misleading, and such supervening event could not be corrected by the Issuer within a curing period as may be agreed upon with the Issue Manager and Lead Underwriter;
- (ii) An order cancelling, suspending, or terminating the Offer is issued by a competent agency of the Philippine Government having jurisdiction on the matter, which order is not lifted within \_\_\_\_ days;
- (iii) There is a change or impending change in any Philippine law, rule, regulation, administrative practice, or interpretation which shall materially and adversely affect: (a) the business, operations and financial condition of the Issuer or any of its subsidiaries; (b) any of the features, yield, or marketability of the Bonds; (c) the ability of the Issue Manager and Lead Underwriter to perform any of its material obligations hereunder; (d) the taxes on the Issue Manager and Lead Underwriter's fees or costs (if applicable) in connection with the Offer or this Agreement; or (e) render illegal the performance by the Underwriters of any of their material obligations hereunder;
- (iv) In the opinion of the Issue Manager and Lead Underwriter, there has been a material change in the financial condition, assets, or business of the Issuer, or a change in national or international financial, political, or economic conditions or currency exchange rates or exchange controls as would, in its view, be likely to prejudice materially the success of the offering and distribution of the Bonds in the primary market;
- (v) A general debt moratorium is declared in the Philippines;
- (vi) The Issuer shall be adjudicated bankrupt or insolvent, or shall be proven to be unable to pay its debts as they mature, or shall make or threaten to make an assignment for the benefit of, or a composition or arrangement with, its creditors or any class thereof due to its inability to pay its debts, or shall declare or threaten to declare a moratorium on its indebtedness or any class thereof; or the Issuer shall apply for or consent to the appointment of any receiver, trustee, or similar officer for it or for all or any substantial part of its property; or the Issuer shall institute (by petition, application or otherwise), or consent to the institution of, any bankruptcy, insolvency, financial reorganization, corporate rehabilitation, arrangement, readjustment of debt, suspension of payment, dissolution, liquidation, or similar proceeding relating to it under the laws of any jurisdiction; or any such proceeding shall be instituted against it without its consent, other than those proceedings which are frivolous or vexatious in nature and, when instituted, is/are dismissed within 60 days; or any judgment, writ,

warrant of attachment or execution or similar process shall be issued or levied against a material portion of the Issuer's assets; or any event occurs which under the laws of the Philippines or any applicable political subdivision thereof has an effect equivalent to any of the foregoing;

- (vii) A material change occurs or is revealed in the political, economic, or fiscal condition, policies, or foreign relations of the Philippines, or there occurs any material adverse development in the securities or other financial or currency market in the Philippines, in any of which case, in the reasonable determination of the Issue Manager and Lead Underwriter, is of grave and unmanageable proportions and may adversely affect the financial market in the Philippines in general, and the Offer in particular; or
- (viii) Any other event similar to the foregoing events should occur or be revealed which, in the opinion of the Issue Manager and Lead Underwriter involves a material and adverse change in the circumstances existing when this Agreement was entered into.

11.3 The Issue Manager and Lead Underwriter may suspend, cancel or terminate the Underwriting Commitment by giving written notice to the Issuer if, on or prior to the Issue Date, performance of or compliance with any of the undertakings of the Lead Underwriter, or its covenants and obligations herein becomes impossible due to conditions beyond its control, including *force majeure*, natural calamities and disasters, flood storm, earthquake, wars, riots, insurrections, terrorist acts and/or any other cause beyond the reasonable control of the Lead Underwriter. The Issuer shall not be liable for payment of fees of the Lead Underwriter if the underwriting commitment is terminated on or prior to Closing due to *force majeure*, provided however that, any and all expenses that may have been incurred by the Lead Underwriter up to the termination shall be for the account of the Issuer.

11.4 Upon the giving of written notice of termination, all obligations of the Issuer and the Issue Manager and Lead Underwriter shall cease and terminate and neither party to this Agreement shall have any claim against the other in respect of any matter arising out of or in connection with this Agreement, except that, in the event that this Agreement is terminated due to a breach by the Issuer, subject to Section 12.2 hereof, all expenses as may have been incurred by the Issue Manager and Lead Underwriter in connection with the Offer up to the time notice of termination is served shall be for the account of the Issuer, and expenses incurred up to the time of service of notice of termination shall be reimbursed to the Issue Manager and Lead Underwriter within ten Business Days from receipt of a statement of account by the Issuer. The statement of account shall be delivered to the Issuer as soon as practicable after service of the notice of termination but not later than five (5) Business Days after service of such notice.

- 11.5 If this Agreement is terminated for any of the causes stated in Section 11 hereof prior to and including the Issue Date, the Issue Manager and Lead Underwriter shall, within seven (7) Business Days from the date the Issue Manager and Lead Underwriter shall deliver a notice of termination to the Issuer, cause the Issuer and/or the Paying Agent, as applicable, to return to the Issue Manager and Lead Underwriter all the amounts remitted to the Issuer and/or the Paying Agent, as applicable, representing the proceeds of the Applications; provided that, such amounts to be returned shall be without interest.
- 11.6 The accrued rights of the Issue Manager and Lead Underwriter on the Bonds already issued and outstanding shall survive the termination of this Agreement.

**Section 12. FEES PAYABLE TO THE ISSUE MANAGER AND LEAD UNDERWRITER**

- 12.1 In consideration of the commitment and selling efforts of the Issue Manager and Lead Underwriter, the Issuer shall pay to the Issue Manager and Lead Underwriter an issue management, underwriting and selling agency fee pursuant to a separate fee letter between the Parties.

All sums payable to the Lead Underwriter shall be paid in full and without withholding or deduction for, or on account of, any taxes (including gross receipts tax), duties, assessments or government charges of any nature, which shall be for the account of the Issuer, other than withholding tax on interest income, unless such withholding or deduction is required by law, in which event the Issuer will pay to the Lead Underwriter such additional amounts as will result, after such withholding or deduction, in the receipt by the Lead Underwriter of sums equal to those that the Lead Underwriter would have received had no such withholding or deduction been required.

Provided that the Lead Underwriter shall have complied with its obligations under this Agreement, the underwriting fee mentioned herein shall be due and payable by the Issuer to the Lead Underwriter one (1) Business Day immediately following the Issue Date in accordance with Section 4.9 of this Agreement.

- 12.2 The Issuer agrees with the Issue Manager and Lead Underwriter that, irrespective of whether the transaction contemplated herein is completed, the Issuer shall pay or cause to be paid the following costs and expenses: (i) the fees, disbursements, and expenses of counsel to the Issue Manager and Lead Underwriter; (ii) expenses in connection with the preparation, printing, and filing of the Registration Statement and the Prospectus, including amendments and supplements thereto; (iii) the cost of preparation, printing, and delivery of copies of the Prospectus, including amendments and

supplements thereto; (iv) the cost of the preparation, filing, and printing of any other documents in connection with the offering and delivery of the Bonds; (v) all other out-of-pocket expenses, including, but not limited to, expenses for presentation materials, travel expenses, marketing expenses, representation and communication expenses, reproduction and printing expenses, courier expenses, as well as publicity, communication and signing expenses; and (vi) all other costs and expenses which are incidental to the offer, distribution, and issuance of the Bonds.

- 12.3 All expenses in connection with the Offer and advanced by the Issue Manager and Lead Underwriter shall be reimbursed by the Issuer within ten (10) Business Days after the presentation of a statement of account and other supporting documents. In the event that the Offer is completed, the Issue Manager and Lead Underwriter shall deliver to the Issuer a statement of account detailing the expenses to be reimbursed not later than five (5) Business Days from the Issue Date. On the other hand, in case of termination of the Agreement pursuant to Section 11, any and all expenses that may have been incurred by the Lead Underwriter up to the date of termination shall be for the account of and promptly paid by the Issuer.
- 12.4 The expenses mentioned in Sections 12.2 and 12.3 shall be in addition to any direct expenses incurred by the Issuer in connection with the Bonds, including without limitation, fees payable to the Trustee, Registrar, and Paying Agent, and disbursements of the Issuer's accountants, and any other advisors, fees payable in conjunction with the rating of the Issuer, and any other expenses incurred directly by the Issuer, which shall all be for the account of the Issuer.
- 12.5 All documentary stamp taxes applicable to the primary issuance of the Bonds shall be for the account of the Issuer and shall be promptly paid within the period provided by law.

### **Section 13. NOTICES**

All notices, statements and requests between the parties hereunder shall be in writing and shall be personally delivered to the party concerned at its respective address:

To the Issuer:

**Sta. Lucia Land, Inc.**

Attention:           [•]  
                              [position]

Address:             [•]

To the Issue Manager and Lead Underwriter:

**China Banking Corporation**

Attention:           [•]  
                          [position]

Address:            [•]

All notices shall be deemed to have been received on the date of delivery. Each party may change its address for purposes of receiving notice by giving notice to the other party.

**Section 14. GOVERNING LAW AND JURISDICTION**

- 14.1 This Agreement is governed by and shall be construed in accordance with the laws of the Republic of the Philippines.
- 14.2 In the event of any legal action arising from, or by reason of, the interpretation and enforcement of the provisions of this Agreement, the venue for such court action shall be the proper courts in the City of Makati to the exclusion of all other courts. The Parties hereby (i) waive any objection they may now or hereafter have to the courts of the City of Makati as the forum to hear and determine any such suit, action, or proceeding and agree not to claim that any such court is not a convenient or appropriate forum, and (ii) agree that a final judgment in any such suit, action, or proceeding brought in any such court shall be conclusive and binding upon each of the Issuer and the Issue Manager and Lead Underwriter and may be enforced in any other courts to whose jurisdiction such parties or any of their respective properties are or may be subject, by suit upon such judgment. The party adjudged by the court to be liable shall be obliged to pay the costs of litigation, as well as attorney's fees in an amount equivalent to 25% of the amount due, but in no case less than ₱200,000.00.
- 14.3 The Issuer hereby consents to the service of any and all process which may be served in any suit, action, or proceeding arising out of or relating to this Agreement by means of personal delivery or courier service, addressed to it at the Issuer's address provided above, and the Issuer hereby irrevocably waives, to the fullest extent permitted by law, any objection it may now or hereafter have under the laws of the Republic of the Philippines or any other jurisdiction to service of process in such manner.

**Section 15. NO WAIVER; CUMULATIVE REMEDIES**

Unless otherwise stated in writing, no failure or delay on the part of any party in exercising any rights, powers, or remedies under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power, or remedy preclude any other right, power, or remedy thereunder. The remedies herein provided are cumulative in nature and not exclusive of any remedies provided by law.

#### **Section 16. BINDING EFFECT**

This Agreement shall be binding upon, and inure solely to the benefit of the Issue Manager and Lead Underwriter and the Issuer, their respective officers and directors, and their respective heirs, executors, administrators, successors and assignees, and no other person shall acquire or have any right under or by virtue of this Agreement. No purchaser of any of the Bonds shall be deemed a successor or assignee by reason merely of such purchase.

#### **Section 17. SEVERABILITY**

Should any portion of this Agreement be declared by any court of law as illegal, invalid, or ineffective, the portions not declared shall remain effective and valid and binding on the parties herein. The Parties agree to replace any invalid provision with a valid provision which most closely approximates the intent and economic effect of the invalid provision.

#### **Section 18. MISCELLANEOUS**

- 18.1 **Assignment.** Neither this Agreement nor any right, interest or obligation hereunder may be assigned by any Party hereto without the prior written consent of the other Parties (which consent shall not be unreasonably withheld).
- 18.2 **Amendment.** This Agreement may not be amended without the consent of both Parties.
- 18.3 **Counterpart Execution.** This Agreement may be executed in any number of counterparts, and each of the executed counterparts, when duly exchanged or delivered, shall be deemed to be an original, but, taken together, they shall constitute one instrument.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective duly authorized officers as of the day and year first above written, in \_\_\_\_\_, Philippines.

Issuer:

STA. LUCIA LAND, INC.

By:

[Name]

[Position]

SIGNED IN THE PRESENCE OF:

\_\_\_\_\_

Issue Manager and Lead Underwriter:

**CHINA BANKING CORPORATION**

By:

**VIRILIO O. CHUA**

First Vice President

**MANUEL C. SAN DIEGO**

Vice President

SIGNED IN THE PRESENCE OF:

  

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### ACKNOWLEDGMENT

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

BEFORE ME, a Notary Public for and in the City of \_\_\_\_\_, Philippines on this \_\_\_\_ day of \_\_\_\_\_ 2015 personally appeared the following individuals, representing the corporations indicated above their respective names:

Name	<u>Government Issued Identification</u> <u>No./</u> <u>Expiry Date</u>
------	--

who were identified by me through competent evidence of identity to be the same persons described in the foregoing Underwriting Agreement, who acknowledged before me that their respective signatures on the instrument were voluntarily affixed by them for the purposes stated therein, and who declared to me that they have executed the instrument as their free and voluntary act and deed and that they have the authority to sign on behalf of the corporations they represent.

This Underwriting Agreement consists of \_\_\_\_ pages, including the page where this acknowledgment is written, to which Annexes A and B have been attached.

WITNESS MY HAND AND NOTARIAL SEAL on the date and place first above written.

Doc. No. \_\_\_\_\_;  
Page No. \_\_\_\_\_;  
Book No. \_\_\_\_\_;  
Series of 2015.

### ACKNOWLEDGMENT

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

BEFORE ME, a Notary Public for and in the City of Makati, Philippines on this \_\_ day of \_\_\_\_\_ 2015 personally appeared the following individuals, representing the corporations indicated above their respective names:

**Name**

**Government Issued Identification**

**No./**  
**Expiry Date**

who were identified by me through competent evidence of identity to be the same persons described in the foregoing Underwriting Agreement, who acknowledged before me that their respective signatures on the instrument were voluntarily affixed by them for the purposes stated therein, and who declared to me that they have executed the instrument as their free and voluntary act and deed and that they have the authority to sign on behalf of the corporations they represent.

This Underwriting Agreement consists of \_\_ pages, including the page where this acknowledgment is written, to which Annexes A and B have been attached.

WITNESS MY HAND AND NOTARIAL SEAL on the date and place first above written.

Doc. No. \_\_\_\_\_;

Page No. \_\_\_\_\_;

Book No. \_\_\_\_\_;

Series of 2015.

**ANNEX "A"**  
**FORM OF OPINION OF COUNSEL TO THE ISSUER**

[Date]

**CHINA BANKING CORPORATION**

(hereinafter referred to as the "Issue Manager and Lead Underwriter").

**Re: Offer for Public Distribution and Sale in the Philippines of fixed rate Series A Bonds due [●] and Series B Bonds due [●] in the aggregate principal amount of up to ₱3,000,000,000, with an over-subscription option of up to ₱2,000,000,000 (the "Bonds") by Sta. Lucia Land, Inc. (the "Company" or "Issuer")**

Gentlemen:

This opinion is furnished to you pursuant to Section 5.1 (ii)(a) of the Underwriting Agreement dated [●] (the "Underwriting Agreement"), made between the Issuer and the Issue Manager and Lead Underwriter.

The Bonds have been issued under a trust agreement executed between the Issuer and China Banking Corporation-Trust Group (the "Trustee") on [●] (the "Trust Agreement"), and have been offered and distributed in the Philippines by the Issue Manager and Lead Underwriter on the basis of a Prospectus dated [●] (the "Prospectus"), as amended or supplemented to date, including all exhibits thereto. The Bonds will be issued in scripless form and the initial purchase and subsequent transfers of the Bonds, as well as the procedure for the payments of interest and principal on the Bonds, are subject to the following agreements: a) the Underwriting Agreement; and (b) the registry and paying agency agreement between the Issuer and Philippine Depository and Trust Corporation (the "Paying Agent" and the "Registrar") dated [●] (the "Registry and Paying Agency Agreement").

The Underwriting Agreement, the Trust Agreement, and the Registry and Paying Agency Agreement are hereinafter collectively referred to as the "Transaction Documents".

Unless otherwise defined herein, capitalized terms used in this opinion shall have the same meanings ascribed to them in the Trust Agreement.

We have acted as legal counsel of the Issuer and have acted as such in connection with the preparation, execution and delivery of the Transaction Documents.

In connection herewith, we have examined the Constitution, laws, and regulations of the Philippines, the originals of all relevant corporate and official records of the Issuer, all originals or copies, certified or otherwise identified to our satisfaction, of official records, regulations, certificates, rulings and orders of officials and agencies of the Government of the Philippines, certificates of officials and other representatives of the Issuer, and all such other agreements, documents and matters as we have considered necessary or desirable for the opinions hereinafter expressed including, without limitation, the following documents:

*Underwriting Agreement*

- (a) the fully executed Transaction Documents, including the annexes attached thereto;
- (b) the Articles of Incorporation and By-laws of the Issuer, each as amended to date;
- (c) the Prospectus;
- (d) the resolutions adopted at the meeting of the Board of Directors of the Issuer held on [●], authorizing the issuance of the Bonds and the execution, delivery, and performance of the Transaction Documents and the transactions contemplated thereby and establishing the authority of the persons to execute the Transaction Documents on behalf of the Issuer; and
- (e) such other documents and matters of law as we have considered necessary to enable us to render this opinion.

As to any other matters or fact material to the opinions expressed herein, we have relied upon certificates of officers and other representatives of the Issuer.

In such examination, we have assumed the genuineness of all signatures and the authenticity of all documents submitted to us as copies thereof (except those relating to the Issuer), and we have found nothing to indicate that such assumptions are not fully justified.

As we are qualified to advise on Philippine legal matters and do not represent ourselves to be familiar with the laws of any state and the laws of any jurisdiction other than the Republic of the Philippines, we do not pass upon and we express no opinion in respect of those matters governed by or construed in accordance with any law other than the laws of the Republic of the Philippines.

Based upon and subject to the foregoing, we are of the opinion that:

- (1) The Issuer is a corporation duly organized, validly existing, and in good standing under the laws of the Philippines, registered and qualified to do business in every jurisdiction where registration or qualification is necessary, with full power and authority to carry on its business as it is now being conducted, to own its property and assets, and to incur financial and other obligations enforceable in accordance with their respective terms.
- (2) The Issuer has full power, authority, and legal right to enter into and perform its obligations under the Transaction Documents. The execution, delivery, and performance by the Issuer of each of the Transaction Documents have been duly authorized by all necessary corporate actions on the part of the Issuer.
- (3) The entering into and performance of the Transaction Documents, the issue and sale of the Bonds, and the consummation of any other of the transactions therein contemplated, or the fulfillment of the terms thereof by the Issuer does not conflict with the articles of incorporation, by-laws, and other constitutive documents of the Issuer, does not violate the provisions of any applicable law, regulation, decree or

government guideline or policy statement, or any order of any court, regulatory body or arbitral tribunal, and has been duly authorized by all necessary corporate and legal action on the part of the Issuer.

- (4) The Bonds conform to the description thereof in the Prospectus and, subject to compliance with the terms of the Offer as set out in the Prospectus, the Bonds may be offered to any person or corporation in the Philippines.
- (5) The Bonds are registered under Republic Act No. 8799, otherwise known as the Securities Regulation Code ("SRC"). The Bonds are covered by a valid and effective certificate of permit to offer securities to the public (the "Permit to Sell"), issued by the Securities and Exchange Commission ("SEC") on [●] under [SEC-MSRD Order No. [●]], Series of 2015. To date, these registrations and approvals remain in force and we are not aware of any cause or event which may give rise to a ground for the suspension or revocation of such permit or order.
- (6) Subject to paragraph 5 above, the Bonds may be freely offered or sold in the Philippines and once listed on the PDEX, may be traded thereon subject to the applicable PDEX rules and conventions as adopted from time to time. Except as disclosed in the "Description of the Bonds" section of the Prospectus, the Bonds are free and clear of all security interests, liens, encumbrances, options, obligations, liabilities, charges, burdens, or restrictions.
- (7) The Issuer has indicated its intent to cause the listing of the bonds with the PDEX for secondary market trading. Subject to the Issuer's compliance with all applicable rules and payment of applicable fees for such a listing to PDEX we are not aware of any cause or event which would prevent the listing and actual trading of the Bonds on the PDEX.
- (8) Upon issue, the Bonds will constitute the direct, unconditional, and unsecured obligations of the Issuer ranking *paripassu* and ratably without any preference or priority amongst themselves and at least *paripassu* with all other present and future unsecured obligations of the Issuer, other than those preferred by law.
- (9) The Issuer possesses all licenses, certificates, permits, and other authorizations issued by the appropriate regulatory authorities necessary to conduct its businesses, and the Issuer has not received any notice of pending proceedings relating to the revocation or modification of any such certificate, authorization, or permit which, singly or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would have a material adverse effect on the condition (financial or otherwise), prospects, earnings, business or properties of the Issuer, whether or not arising from transactions in the ordinary course of business.

- (10) The Issuer has obtained all necessary permits, consents, and authorizations from the Government (collectively, the "Approvals"), if any, necessary for the entering into and fulfilling of its obligations under the Transaction Documents under applicable Law and such permits remain in full force and effect, and to the best of our knowledge, and unless otherwise disclosed in writing by the Issuer, there are no proceedings threatened or initiated that may adversely affect the Approvals or the conduct of the Issuer under such Approvals.
- (11) The individual(s) signing the Transaction Documents on behalf of the Issuer are duly authorized to sign as of the date of such signing.
- (12) Compliance by the Issuer with its obligations under the Transaction Documents and the Bonds does not and will not violate the provisions of any applicable law, regulation, decree, or government guideline or policy statement or any order of any court, regulatory body, or arbitral tribunal, or of the organic documents of the Issuer or any other agreement, instrument or document to which the Issuer is a party or by which the Issuer or any of its properties or assets may be bound or affected.
- (13) To the best of our knowledge and information and as of the date hereof, the Prospectus prepared by the Issuer for distribution in connection with the Offer and submitted with the Registration Statement, contains substantially all material disclosures necessary for the protection of public interest, and is not intended to defraud potential purchasers or investors. All the information contained therein has been supplied by the Issuer which accepts full responsibility for the accuracy of all information contained therein after having made reasonable enquiries.
- (14) The Registration Statement and Prospectus (i) do not contain any untrue or misleading statement of a material fact or omit any material fact necessary or required to be stated therein for purposes of fair disclosure or to prevent any statement therein from becoming misleading, (ii) contain a complete description of the business, properties, and operations of the Issuer, its capitalization, the Bonds, and the Terms and Conditions of the Offer; and (iii) does not violate, conflict with, nor constitute a breach of or default of any applicable law, regulation, decree, government guidelines or policy statement.
- (15) All conditions imposed under the Securities Regulation Code ("SRC"), including those imposed by the Securities and Exchange Commission in the Permit to Sell issued pursuant to the SRC have been complied with by the Issuer as of the date and/or time that they are required to be complied with.
- (16) The obligations of the Issuer under the Bonds rank and will rank at all times at least *paripassu* in all respects and ratably without preference or priority (except for any statutory preference or priority applicable in the winding-up of the Issuer) amongst themselves and at least *paripassu* with all other outstanding unsubordinated and unsecured obligations (contingent or otherwise, present or future) of the Issuer.
- (17) The Issuer is not entitled to plead or cause to be pleaded on its behalf any right of immunity for itself or any of its assets in any action to enforce its obligations under the

Transaction Documents, which may be instituted against the Issuer before any competent court or court of arbitration based on the Transaction Documents.

- (18) The offer, issuance, and sale of the Bonds, and the distribution of the Prospectus in the Philippines have been duly authorized by all necessary actions of the Issuer, and were and are in compliance with securities regulations enforced by the Securities and Exchange Commission and do not violate any law of the Republic of the Philippines or any regulation, judgment, or order of any office, agency, or instrumentality thereof applicable to the Issuer.
- (19) The primary issuance of the Bonds are not subject to any documentary stamp or similar tax other than such documentary stamp taxes which the Issuer will pay when due, and except for the filing of the Transaction Documents with the SEC (which has already been done), it is not necessary or advisable that the Transaction Documents and the Bonds or any document contemplated herein be filed or registered with, or presented to, any authority or body of or within the Philippines.
- (20) The description of the taxes relevant to the Offer of the Bonds in the Prospectus under the heading "Philippine Taxation" is consistent with Philippine tax laws and regulations and presents fairly the tax considerations incident to the acquisition, ownership and disposition of the Bonds by an eligible investor.
- (21) The Bonds, when issued, constitute the direct, unconditional, unsecured, unsubordinated general, legally valid, and binding obligations of the Issuer, enforceable in accordance with its terms. Except for presentation to the Bureau of Internal Revenue of the Bonds for payment of the appropriate documentary stamp taxes on its primary issuance, it is not necessary or advisable that the Transaction Documents and the Bonds or any document contemplated herein be filed or registered with, or presented to, any authority or body of or within the Philippines to ensure its legality, validity, enforceability, and admissibility into evidence in the Philippines.
- (22) The Transaction Documents and the Bonds, including without limitation the indemnification provisions therein, do not violate law, customs, or public policy.
- (23) The Issuer (i) has not filed any petition for bankruptcy, reorganization, winding-up, suspension of payment, or liquidation or other proceedings analogous in purpose or effect; or (ii) applied for or consented to the appointment of a receiver or trustee for bankruptcy, reorganization, winding-up, or liquidation. There is no entry of any court order or judgment confirming the bankruptcy or insolvency of the Issuer or approving any reorganization, winding-up, or liquidation of the Issuer or a substantial portion of its property and assets.
- (24) No litigation, arbitration, or administrative action, suit, or proceeding is pending or, to the best of our knowledge, threatened against or affecting the Issuer or its properties, which enjoin or otherwise adversely affect the execution, delivery, or performance of the Transaction Documents, the Offer, or the issuance of the Bonds, or the adverse determination of which would have a Material Adverse Effect;

- (25) Except for those disclosed in Annex D of the Trust Agreement, the Issuer has valid, good, indefeasible, and marketable title to all its properties free and clear of all Security Interests other than Permitted Security Interests; and
- (26) No other loan or other facility currently or to be entered into by the Issuer is notarized such that no other loan or facility to which the Issuer is a party shall have preference or priority over the Bonds as accorded to public instruments under Article 2244(14) of the Civil Code of the Philippines, and all banks and creditors under any such loans or facilities have waived the right to the benefit of any such preference or priority.

Our opinion is subject to the following qualifications:

- (i) The enforceability of the Transaction Documents and the Bonds may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws of general application in relation to or affecting creditors' rights generally, or may become barred under the provisions on prescription of actions of the Civil Code of the Philippines, or be subject to set-off, counterclaim, and defenses based on the passage of time.
- (ii) The enforceability of the Transaction Documents and the Bonds are subject to the general principles of equity. In applying these principles, a court in the Philippines might require that parties enforcing any right under the Transaction Documents and the Bonds act with reasonableness and fairness and observe good faith.
- (iii) Nothing in this opinion should be taken as indicating that the remedy of specific performance or injunction under any particular provision of the Transaction Documents and the Bonds would necessarily be granted by a Philippine court in any particular instance, if there is otherwise available an adequate compensatory remedy with respect thereto.

This opinion is valid as of the date of its issuance. This opinion is furnished for the benefit of the Issue Manager and Lead Underwriter, and is not to be relied upon by any other person or for any other purpose without our prior written consent.

Very truly yours,

[•]



**ANNEX "B"**  
**FORM OF OPINION OF COUNSEL TO THE ISSUE MANAGER AND LEAD**  
**UNDERWRITER**

[Date]

**CHINA BANKING CORPORATION**

(hereinafter referred to as the "Issue Manager and Lead Underwriter").

Ladies and Gentlemen:

**Re: Offer for Public Distribution and Sale in the Philippines of fixed rate Series A Bonds due [●] and Series B Bonds due [●] in the aggregate principal amount of up to ₱3,000,000,000, with an over-subscription option of up to ₱2,000,000,000 (the "Bonds") issued by Sta. Lucia Land, Inc. (the "Company")**

We have acted as legal advisers to the Issue Manager and Lead Underwriter named in the Underwriting Agreement executed by and between the Issuer and the Issue Manager and Lead Underwriter on [●](the "Underwriting Agreement"), as to matters of Philippine law, in connection with the sale and offer for sale of the Bonds to the public in the Philippines.

The Bonds have been issued under a Trust Agreement executed between the Issuer and China Banking Corporation Trust Group (the "Trustee") on [●](the "Trust Agreement"), and have been offered and distributed in the Philippines by the Issue Manager and Lead Underwriter on the basis of a Prospectus dated [●](the "Prospectus"), as amended or supplemented to date, including all exhibits thereto. The Bonds will be issued in scripless form and the initial purchase and subsequent transfers of the Bonds, as well as the procedure for the payments of interest and principal on the Bonds, are subject to the following agreements: a) the Underwriting Agreement; and (b) the Registry and Paying Agency Agreement between the Issuer and Philippine Depository and Trust Corporation (the "Paying Agent" and the "Registrar") dated [●] (the "Registry and Paying Agency Agreement").

The Underwriting Agreement, the Trust Agreement, and the Registry and Paying Agency Agreement are hereinafter collectively referred to as the "Transaction Documents".

Unless otherwise defined herein, capitalized terms used in this opinion shall have the same meanings ascribed to them in the Trust Agreement.

In our capacity as legal advisers to the Underwriters, we have examined existing laws and regulations of the Philippines dealing with issue and sale of securities, and other legislation material and pertinent to the issue and sale of the Bonds.

We have likewise examined copies or photocopies, certified or otherwise, identified to our satisfaction, of all registration, certificates, rulings, or orders of officials and agencies of the

*Underwriting Agreement*

Philippines which were provided to us by the Issuer, as well as certificates, agreements, documents, and matters to which the Issuer is a party (including, without limitation, the Articles of Incorporation and By-laws of the Issuer), and the resolution of the Board of Directors of the Issuer dated [●], authorizing the issue and sale of the Bonds and the execution of the Transaction Documents, upon which the opinion hereinafter expressed is based. We rely, as bases for the opinion expressed herein, on the documents provided to us by the Issuer and we assume no responsibility for any other documents of which we have not been provided.

Insofar as any opinion expressed herein relate to or are based on factual matters, information of which has not been disclosed to us, such non-disclosed information shall be deemed to be a qualification to such opinion expressed.

As we are members of the Philippine Bar and not qualified to practice law in jurisdictions other than the Philippines, we express no opinion on the legality of any solicitation or offer for the sale of the Bonds when made in jurisdictions other than the Philippines.

We have assumed:

- a. the capacity, power, and authority of each of the parties thereto (except the Issuer) to execute, deliver, and perform the obligations expressed to be performed under the Transaction Documents;
- b. the due execution and delivery of the Transaction Documents by each of the parties thereto (except the Issuer);
- c. the authenticity and completeness of all documents, and the conformity to original documents of all copies of documents, examined by us; and
- d. that none of the opinions expressed below would be affected by the laws (including public policy) of any jurisdiction outside the Philippines.

This opinion is being delivered to you pursuant to Section 5.1(ii)(b) of the Underwriting Agreement.

Based on and subject to the foregoing and the reservations set out below, we are of the opinion that:

1. The Issuer is a corporation duly organized and existing under and by virtue of the laws of the Philippines and has the requisite corporate authority to carry on the business which it now conducts, to own the properties which it now owns, and to execute, deliver, and perform the obligations expressed to be performed in the Transaction Documents;
2. All the outstanding shares of capital stock of the Issuer have been duly and validly authorized and issued and are fully paid and non-assessable;
3. The Issuer's authorized equity capitalization is as set forth in the Prospectus;

4. Each of the Transaction Documents has been duly authorized, executed, and delivered, and constitutes a legal, valid and binding instrument enforceable against the Issuer in accordance with its terms (subject, as to the enforcement of remedies, to applicable bankruptcy, reorganization, insolvency, moratorium, or other laws affecting creditors' rights generally from time to time in effect and to general principles of equity); the Bonds have been duly and validly authorized and, when executed and authenticated in accordance with the provisions of the Trust Agreement and delivered to and paid for by the Underwriters, will constitute legal, valid, and binding obligations of the Issuer entitled to the benefits of the Trust Agreement (subject, as to the enforcement of remedies, to applicable bankruptcy, reorganization, insolvency, moratorium or other laws affecting creditors' rights generally from time to time in effect and to general principles of equity);
5. To the best of our knowledge and upon due inquiry, there is no pending or threatened actions, suits, or proceeding by or before any court or government agency, authority or body or any arbitrator involving the Issuer or its property that is not adequately disclosed in the Prospectus, except in each case for any such actions, suits, or proceedings that, if the subject of an unfavorable decision, ruling or finding, would not, singly or in the aggregate, result in a material adverse change in the condition (financial or otherwise), prospects, earnings, business, properties, or results of operations of the Issuer taken as a whole, and the statements in the Prospectus under the headings "Risk Factors and Other Considerations", "Philippine Taxation", "Plan of Distribution", "Description of the Bonds", "Description of Business", and "Corporate Governance", to the extent that they constitute summaries of matters of law or regulation or legal conclusions relating to the laws and regulations of the Philippines, fairly summarize the matters therein described;
6. The Issuer has full responsibility for the accuracy of information supplied by it in the Prospectus and has confirmed that there are no facts the omission of which would make any of the statements of the Prospectus misleading as of the date thereof. We have no reason to believe that as of the respective dates of the Registration Statement and the Prospectus, the Registration Statement or the Prospectus contained any untrue statement of a material fact, or omitted any material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however that this opinion shall not apply to financial or statistical information, forecasts, projections, estimates or to statements as to the future condition of the Issuer or any other person or entity mentioned in the Prospectus.
7. We have no reason to believe (except for financial statements and schedules and other financial data as to which we express no opinion) that as of the date of the Prospectus or as of the date hereof, the Prospectus contained or contains any untrue statement of a material fact or omitted or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (in each case, other than the financial statements and other financial and statistical information contained therein, as to which we express no opinion);

8. No consent, approval, authorization, registration, filing with, or order of any court or governmental agency or body in the Philippines is required in connection with the transactions contemplated in the Transaction Documents, except the approval of the SEC rendering effective the registration of the Bonds which was issued on [•];
9. Neither the execution and delivery of any of the Transaction Documents, the issue and sale of the Bonds, nor the consummation of any other of the transactions herein or therein contemplated, nor the fulfillment of the terms hereof or thereof will conflict with, result in a breach or violation of, or imposition of any lien, charge, or encumbrance upon any property or asset of the Issuer pursuant to (i) the Articles of Incorporation or By-laws of the Issuer; (ii) any statute, law, rule, regulation, judgment, order or decree applicable to the Issuer of any court, regulatory body, administrative agency, governmental body, or arbitrator in the Philippines;
10. The Bonds conform to the description thereof in the Prospectus and, subject to compliance with the terms of the Offer as set out in the Prospectus, the Bonds may be offered to any person or corporation in the Philippines;
11. The Bonds are registered under Republic Act No. 8799, otherwise known as the Securities Regulation Code ("SRC"). The Bonds are covered by a valid and effective certificate of permit to offer securities to the public (the "Permit to Sell"), issued by the Securities and Exchange Commission ("SEC") on [•] under [SEC-MSRD Order No. [•]], Series of 2015. To date, these registrations and approvals remain in force and we are not aware of any cause or event which may give rise to a ground for the suspension or revocation of such permit or order.
12. Subject to paragraph 11 above, the Bonds may be freely offered or sold in the Philippines and once listed on the PDEX, may be traded thereon subject to the applicable PDEX rules and conventions as adopted from time to time. Except as disclosed in the "Description of the Bonds" section of the Prospectus, the Bonds are free and clear of all security interests, liens, encumbrances, options, obligations, liabilities, charges, burdens, or restrictions.
13. With respect to interest and principal payments made under the Bonds, the Issuer is not required to withhold any taxes under current law, other than the applicable final withholding tax on interest income on the Bonds, as follows: i) 20% in the case of resident holders and non-resident individuals engaged in trade or business in the Philippines; ii) 25% in the case of non-resident foreign individuals not engaged in trade or business in the Philippines; iii) 20% in the case of domestic corporations and resident foreign corporations; and, iv) 30% in the case of non-resident foreign corporations. The rates of tax imposed on non-residents are subject to further reduction by any applicable tax treaty;
14. No stamp or other issuance or transfer taxes or duties and no capital gains, income, withholding, or other taxes are payable by or on behalf of the Underwriters to the

Philippine government or to any political subdivision or taxing authority thereof or therein in connection with the purchase, sale, and delivery by the Underwriters of the Bonds as contemplated in the Underwriting Agreement, other than the cost of documentary stamp tax on the original issuance of the Bonds which shall be for the account of the Issuer;

15. The Issuer has indicated its intent to cause the listing of the bonds with the PDEX for secondary market trading. Subject to the Issuer's compliance with all applicable rules and payment of applicable fees for such a listing to PDEX we are not aware of any cause or event which would prevent the listing and actual trading of the Bonds on the PDEX.
16. Upon issue, the Bonds will constitute the direct, unconditional, and unsecured obligations of the Issuer ranking *paripassu* and ratably without any preference or priority amongst themselves and at least *paripassu* with all other present and future unsecured obligations of the Issuer, other than those preferred by law.
17. The Issuer has not in respect of any of its indebtedness prepared, executed, or filed any public instrument as provided in Article 2244(14) of the Civil Code of the Philippines, or consented to or assisted in the preparation or filing of any such public instrument, that would have priority over the Bonds;
18. The Transaction Documents and any other document of instrument to be furnished thereunder are in proper legal form under the laws of the Philippines for the enforcement thereof against the Issuer under the laws of the Philippines; and, to ensure the legality, validity, enforceability, and admissibility into evidence in the Philippines of each of the Transaction Documents and any other document or instrument to be furnished thereunder, it is not necessary that any such document or instrument be filed or recorded with any court or other authority in the Philippines except in connection with the approval described in the opinion expressed in paragraph 8 hereof; and
19. The provisions of the Transaction Documents, including, without limitation, the indemnification provisions set forth therein, do not contravene the law, customs, or public policy of the Philippines.

This opinion is given to you subject to the following reservations:

- a) The Permit to Sell referred to in paragraph [11], above, not being revoked, cancelled or suspended by the SEC;
- b) The approval of the SEC and compliance by the Issuer of any requirements, including disclosure and circulation of information, relating to any amendments in the terms of the Offer and revisions to the Prospectus;

- c) The enforceability of the obligations of the Issuer under the Transaction Documents is subject to applicable bankruptcy, reorganization, insolvency, moratorium, or other laws affecting creditors' rights generally from time to time in effect;
- d) The enforceability of the obligations of the Issuer under the Transaction Documents is subject to general principles of equity. In applying such principles, a Philippine court may require that parties exercising any right thereunder act with reasonableness and fairness and observe good faith. Such requirement may be applied, among other situations, to the provisions purporting to authorize conclusive determinations by any party thereto; and
- e) Nothing in this opinion should be taken as indicating that the remedies of specific performance or injunction (being in some instances discretionary remedies of the court) would in any particular instance be available in respect of any particular provision of the Transaction Documents.

This opinion is furnished exclusively to the Issue Manager and Lead Underwriter in connection with the Transaction Documents and it is not to be used, circulated, quoted or otherwise referred to for any other purpose. This opinion, without our written consent, may not be relied upon by anyone except by you, or relied upon for any other purpose, or filed with any government agency, whether in the Philippines or elsewhere, except for disclosures required by law.

Very truly yours,

[•]