

MARGIN TRADING AGREEMENT

This Agreement is made by -

AB CAPITAL SECURITIES, INC., a corporation duly organized and existing under and by virtue of the laws of the Philippines, with principal offices at Units 1401-1403 14/F Tower One & Exchange Plaza, Ayala Triangle, Ayala Avenue, Makati City (ABCSI).

- and -

_____, Filipino citizen of good standing with
address _____ at

(the "Customer")

ABCSI agrees to grant to the Customer, subject to availability of funds, a Margin Facility for the purchase of securities listed on the Philippine Stock Exchange, under the following terms and conditions:

1. Amount. - The Margin Facility shall be for an amount not exceeding the principal sum of _____
Philippine Currency.
2. Term. - The Margin Facility shall be available to the Customer for a period of _____ **days** from the date of execution of this document. It shall be used solely for the purpose of buying stocks through ABCSI.
3. Confirmation. - On August 11, 2011, the SEC granted ABCSI exemptive relief from SRC Rule No. 30.2-2. Accordingly, the Customer agrees to accept confirmation electronically through media such as email or through the Broker's website. This shall be binding in the absence of any written objection received by ABCSI within 24 hours of the next business day.
4. Governing Regulations. - All transactions for the Customer's account under this Agreement shall be subject to the PreDisclosed Policies of ABCSI, the operating rules hereunder, Constitution, By-Laws, rules and regulations of the Philippine Stock Exchange and the customs and usages of the market and its clearing house, if any, and the Securities Regulation Code (Republic Act No. 8799), applicable laws and the pertinent rules and regulations of the Securities and Exchange Commission.
5. Security. - As security for all its obligations and liabilities under the Margin Facility, the Customer hereby constitutes and creates a general lien and

security interest in favor of ABCSI over any and all securities and contracts, papers and documents pertaining thereto belonging to the Customer or in which the Customer may have an interest, which now or may hereafter be held or carried by ABCSI for the Customer's account (whether owned wholly or jointly with others), including all dividends, cash, stock or property, subscriptions, warrants, rights or options, pertaining to said securities, which securities may be held by ABCSI in its name, for the prompt and full payment and performance of any and all of the Customer's obligations and liabilities under and by virtue of the Margin Facility regardless of whether or not ABCSI has made advances in connection with such securities and/or exercised at any time any of its rights and powers under this Agreement.

6. Operating Rules. - The following operating rules shall apply to the Margin Facility:

- A.) The Customer shall use the Margin Facility for the sole purpose of buying marginable stocks of stock listed in Annex A. All purchases and selling of shares subject of the Margin Facility shall be transacted through ABCSI.
- B.) Interest will be charged and will accrue on a daily basis on all outstanding amounts of the Margin Facility at a rate of one and one fourth percent (1.25%) per month, exclusive of Value Added Tax (VAT), subject to change without prior notice at ABCSI's sole and absolute discretion.

Interest charges are due on the last day of each month or the next business day after the last day of each month should the last day of the month fall on a weekend or holiday. If interest charges remain unpaid after the due date, the monthly interest charges due will be added to any outstanding balance and will accrue interest at the then prevailing rate.

- C.) The collateral coverage requirement, (the ratio of the securities deposited with ABCSI plus the stocks purchased on margin, to the amount of the loan) will be at least two hundred percent (200%). The securities that will be acceptable as collateral for the Margin Facility must be Marginable Securities as determined by ABCSI, a list of which is found in the ABCSI website and hereto attached as "Annex A". A reclassification of what are marginable securities and their margin rating maybe made by ABCSI at any time.

Should the market value of the collateral fall below the required 200% collateral cover, the Customer upon written notice or email shall deliver to ABCSI additional marginable securities on the next trading day after such notice is made, to restore the required 200%

collateral cover. If the Customer fails to comply with this requirement, ABCSI reserves the right to dispose in the market on the second trading day after the notice is made, enough of the presently indentured securities to bring the collateral cover back to the required cover as indicated above. ABCSI may terminate the Margin Facility in accordance with paragraph 9 below due to the Customer's failure to provide the collateral cover when required.

- D.) Upon receiving notice of the termination or non-renewal of the Margin Facility, the Customer may discharge his obligations either by making the necessary payment or ordering ABCSI to sell a sufficient amount of the indentured securities to cover such obligations. Provided, however, that if such sale is not executed on the next trading day after termination of the Facility, or the net proceeds of such sale are insufficient, the Customer shall pay upon demand the entire amount of his remaining obligation.
- E.) For buying and selling, a net commission will be set at one-fourth of one percent (0.25%) per value of transaction. The commission is exclusive of Value-Added Tax which shall be for the account of the Customer. Other transaction costs such as PDTC ad valorem fees, SCCP, transaction taxes, etc. shall be for the account of the Customer.
- F.) All securities purchased under the Margin Facility shall be lodged under the PDTC account of ABCSI.

The Customer shall continue to be the beneficiary of all cash dividends, stock dividends, subscription rights, and options pertaining to the delivered and/or purchased securities. In the event however, that the collateral cover falls below the 200% requirement, ABCSI reserves the right to retain any and/or all cash dividends, stock dividends, subscription rights, and options until all said collateral cover deficiency is complied with.

- G.) Per SRC 48.1, a minimum maintaining equity balance of Fifty Thousand Pesos (P50,000.00) is required to keep the Margin Account activated. A breach of this minimum maintaining balance after an end-of-day process will subject the Margin account to the same rules provided under paragraph 9.
- H.) If no turnover is executed for a period of two (2) months, the Margin Facility may be suspended or cancelled by ABCSI. If the Margin Facility is suspended or deemed terminated, the Customer shall settle in full all of the billings sent to the Customer for the payment

of any outstanding balance and/or to other obligations under the Margin Facility.

7. Right to Terminate. - Without prejudice to the rights and obligations created and the powers and authorities granted under this Agreement, this Agreement may be terminated by ABCSI immediately by serving a written notice or email to the Customer of such termination. ABCSI shall have the right at any time not to grant margin or allow availments under the Margin Facility to the Customer, should ABCSI in its sole discretion so decide.

8. Inter-account Transfers. - ABCSI may at its discretion and without prior notice to the Customer, apply and/or transfer securities in any one of the customer's accounts to his other accounts with ABCSI to settle the latter's obligation under this Margin Agreement or for any other obligation owing to ABCSI.

9. Other Rights and Powers. - In the event this Agreement is terminated or deemed terminated under paragraphs 5 or 6, or the Customer dies or is incapacitated or in case a petition for bankruptcy or for the appointment of a receiver or conservator, or similar petition, is filed by or against the Customer, or in the event the Customer fails to deliver the required margin cover pursuant to paragraph 5(c) or otherwise fails to comply with this Agreement, or whenever in its discretion ABCSI deems it necessary for its protection and notifies Customer of such finding, all amounts owing to ABCSI under this Agreement or any margin credit hereunder shall be immediately due and payable without demand or notice other than as specified in this Paragraph, and ABCSI shall be deemed to have, and is hereby granted, an irrevocable power of attorney (coupled with interest) to do the following on behalf of the Corporation:

- a) To sell any or all of the securities which may be in ABCSI's possession or which it may be carrying for the Customer, either individually or jointly with others. ABCSI shall, in case of any such sale, be entitled to any deficiency in case the net proceeds of the sale are less than the obligations of the Customer which deficiency the Customer, its successors or assigns shall remit to ABCSI upon demand, and the Customer shall, at all times, be liable for the payment of the full amount of the deficiency of any obligation owing under the Margin Facility and for any remaining balance thereunder in the event of the liquidation thereof in whole or in part by anyone of the parties hereto;
- b) To buy any or all securities of which the Customer's account may be short;

- c) To cancel any outstanding orders in order to close out the Customer's account in whole or in part, or in order to close out any commitments made in the Customer's behalf; and
- d) To apply to the payment of any of the obligations under the Margin Facility, any funds, securities or things of value belonging to the Customer which may now or hereafter be in ABCSI's possession or control.

Any such sales or purchases provided in this paragraph may be made at ABCSI's discretion at any Exchange or other markets where such business is then usually transacted, or at public auction or private sale.

10. Application of Sales Proceeds. - Notwithstanding the extinguishment of the lien and security interest created herein, the Customer hereby expressly authorizes ABCSI to apply in accordance with law the proceeds of any sale of securities contemplated in paragraph 9(a) hereof, in full or partial satisfaction as the case may be, of the Customer's obligations under the Margin Facility.

11. Attorney's Fees, Etc. - Should the Customer's account be referred to a lawyer for collection, the Customer shall be further liable to pay, by way of attorney's fees, a sum equivalent to 10% of the total amount due but not less than P10,000.00, in addition to the costs of suits and other litigation expenses. Venue of all suits hereunder shall be in the proper courts of Metro Manila.

12. Severability. - If any provision hereof, is or shall become inconsistent with any present or future law, rule or regulation of the government, the Securities and Exchange Commission, or of the Philippine Stock Exchange, said provision shall be deemed to be suspended, modified or accordingly amended to conform to such law, rule or regulations; but the remaining provisions of this Agreement shall not be affected thereby and shall continue and remain in full force and effect until the obligations arising hereunder shall have been fully paid and performed or until terminated in the manner stated in paragraphs 5 or 6 hereof.

13. Non-Waiver. - Any leniency or tolerance to the Customer or failure on the part of ABCSI to avail of any provision hereof shall not constitute a waiver of any right pertaining to ABCSI.

14. Amendments. - ABCSI shall have the option to amend, cancel, suspend, or terminate any of the provisions of the Agreement by sending a written notice to the Customer at least one (1) trading day prior to the date of effectivity.

Made this _____ in Makati City.

By: Customer

By: AB Capital Securities, Inc.

Signature over Printed Name

Victor L. Vital
President & CEO

Ericson C. Wee
FVP

WITNESSES:

ACKNOWLEDGMENT

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

BEFORE ME, a Notary Public, in and for the above jurisdiction, this _____
day of _____, 20__, personally appeared:

<u>NAME</u>	<u>REST. CERT. NO.</u>	<u>DATE/PLACE OF ISSUE</u>
AB Capital Securities, Inc. Victor L. Vital Ericson C. Wee _____ (<i>Customer's Name</i>)		

known to me to be the same persons who executed the foregoing instrument and they
acknowledged to me that the same is their free and voluntary act and deed as well as
the free and voluntary act and deed of the corporation(s) herein respectively represented.

WITNESS MY HAND AND NOTARIAL SEAL on the date and at the place first
above set forth.

Doc. No. _____:
Page No. _____:
Book No. _____:
Series of 2018

ACKNOWLEDGMENT

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

BEFORE ME, a Notary Public, in and for the above jurisdiction, this _____
day of _____, 20__, personally appeared:

<u>NAME</u>	<u>REST. CERT. NO.</u>	<u>DATE/PLACE OF ISSUE</u>
_____ (<i>Customer's Name</i>)		

known to me to be the same persons who executed the foregoing instrument and they acknowledged to me that the same is their free and voluntary act and deed as well as the free and voluntary act and deed of the corporation(s) herein respectively represented.

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