

DEED OF UNDERTAKING FOR THE ISSUANCE OF REDEEMABLE PREFERRED SHARES
(Appendix to Section 122 on Issuance of redeemable shares: conditions; certification and
report; sanctions)

We, the majority of the members of the Board of Directors and key executive officers of _____, a banking corporation duly registered and organized under the laws of the Republic of the Philippines, with principal office and place of business at _____, by these presents do hereby obligate ourselves to undertake the following in the issuance of preferred stock:

1. That the issuance of preferred stock shall be in accordance with the terms and conditions of approval by the Bangko Sentral ng Pilipinas (BSP) and pertinent rules and regulations of the BSP and that of the Securities and Exchange Commission (SEC)/Cooperative Development Authority (CDA);
2. That any preferred shares so issued shall not be redeemed, retired, converted to any other kind of stocks or securities or paid back in cash or property without the prior approval of BSP in accordance with Sections 122 and 122-C of the Manual of Regulations for Banks, Section 8, R.A. 7353 and other applicable regulations and banking laws;
3. That in no case shall the issuance of preferred shares be treated as similar to or as a substitute of other form of temporary investments of clients and depositors such as time deposits, savings deposits, money market placements or other form of investments subject to withdrawal;
4. That outstanding preferred shares may be redeemed or retired only if the shares redeemed or retired are replaced with at least an equivalent amount of newly paid-in shares so that the total paid-in capital stock is maintained at the same level immediately prior to redemption or retirement: Provided, That no outstanding preferred share shall be redeemed within five (5) years from full payment of the subscription or issuance of stock certificate therefore;
5. That we, the undersigned, shall ensure that the above undertakings are strictly complied with and observed at all times by the management of the bank;
6. That non-compliance with this undertaking shall subject the directors/officers involved liable to such administrative sanctions as the Monetary Board may impose and such other sanctions as may be provided pursuant to Section 37 of R.A. 7653, without prejudice to the criminal sanctions under Section 36 of the same Act.

IN WITNESS WHEREOF, we have hereunto affix our signature on this ____ day of _____,

201__ .

Directors:

Officers:

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

BEFORE ME, a Notary Public, for and in the Province/City of _____ this ___ day of _____, 20__, personally appeared the herein named persons with their Community Tax Receipts, known to me to be the same persons who executed the foregoing instrument and acknowledged before me that the same is their own free and voluntary act and deed.

Name	Comm. Tax Cert. No	Date of Issue	Place of Issue
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

IN WITNESS WHEREOF, I have hereunto set my hand and seal on the date and place above written.

Notary Public
 Until December 31, 20__
 PTR No. _____
 Issued at _____ on _____

Doc. No. _____;
 Page No. _____;
 Book No. _____;
 Series of _____.