

TERMS AND CONDITIONS OF AUTO LOAN

1. **Late Payment Penalty.** Late payment of any amount due under this Note shall be subject to a penalty of Five Percent (5%) per month thereon, from and after the applicable due date until paid in full, and shall be collected in addition to the interest payable under this Note.

2. **Adjustment of Interest Rate.** The interest rate on the sum outstanding and unpaid under this Note may be subject to upward or downward adjustment should there be:

a) a change in the prevailing cost of money at any given time or there be any law, circular, rule or regulation enacted, issued or promulgated which has the effect of increasing or decreasing the cost of funds to the Bank / Secured Creditor / Holder of this Note as determined by the latter;

b) an extraordinary change in the effective value of the purchasing power of Philippine Currency. Any change at any time of at least fifteen percent (15%) in the Consumer Price Index for Manila from the date of this Agreement, set forth in figures officially released by the Bangko Sentral ng Pilipinas ("BSP") (or by other office or agency of the Philippine Government, should the figures of the Bangko Sentral ng Pilipinas not be available) shall be regarded as an extraordinary change in the effective value of the purchasing power of Philippine Currency and is aligned with the concept of extraordinary inflation under Article 1250 of the Civil Code.

Any adjustment pursuant to the foregoing occurrences shall be communicated in writing by the Bank / Secured Creditor (or its successors and assigns), to the Borrower / Grantor prior to its being implemented. The Borrower / Grantor shall have the option of pre-paying the Note without pre-payment penalty, within a period of thirty (30) days following receipt of notice of the impending interest rate adjustment: otherwise, the adjustment shall be deemed effective as of the interest period which is current as of the expiration of said thirty (30) day period.

3. **Pretermination of the Note.** Pretermination of the Note by the Borrower / Grantor is allowed provided a thirty [30] day prior written notice is given to the Bank / Secured Creditor (or its successors or assigns). In this event, any outstanding balance inclusive of accrued interest, charges and penalties, if any, as of the date of next amortization payment date shall due and payable.

4. **Extensions/Renewals of the Note.** No extension or renewal of this Note shall be valid and binding unless approved in writing by the authorized officer/s of the Bank and as agreed to by the undersigned Borrower / Grantor in accordance with the policies of the Bank. Should this Note be signed by more than one Borrower / Grantor, the Borrower / Grantor or any one of the co-maker/s may, with the consent of the holder thereof, renew or extend the original or subsequent maturity date/s hereof for a portion or for the whole amount of the principal without notice to the other/s, and in such case, the liability of the other co-maker/s to the Bank shall remain joint and several.

Upon such extension, renewal, rescheduling, or restructuring, the Borrower/s agree to pay the applicable processing fees, additional interest, surcharges, taxes, and other costs and expenses in accordance with the Bank's prevailing policies and the Disclosure Statement issued for such purpose.

5. **Others.** The Borrower / Grantor acknowledges having read, understood and conformed to the other terms and conditions of this Agreement set forth in paragraphs 5 to 23 inclusive, enumerated on the reverse page and on the subsequent pages of this Agreement, as the case may be, which are all made an integral part hereof.

6. **Waiver of Confidentiality.** By signing this Note, the Borrower / Grantor hereby waive/s the rights and benefits under the Law on Secrecy of Bank Deposits (R.A. No. 1405), Foreign Currency Deposits Act (R.A. No. 6426), the General Banking Law and other laws on confidentiality of bank account, credit, loan and other related information and hereby authorizes the Bank/Secured Creditor to make the necessary disclosure of such otherwise confidential information to the BSP, Anti-Money Laundering Council and the Credit Information Corporation, or to the Bank's agents and affiliates.

The Bank/Secured Creditor, upon default of the Borrower/Grantor, may take possession of the above-described collateral without judicial process provided that possession can be taken without a breach of the peace. Otherwise, the Bank/Secured Creditor shall enforce its security interest through a judicial process.

The Borrower/Mortgagor/Grantor acknowledges that the Bank is a 'Personal Information Controller' under the Data Privacy Act of 2012. The Borrower hereby grants informed consent for the Bank to collect, process, and store personal and sensitive personal information for the purposes of loan administration, credit scoring, and compliance with R.A. No. 9160 or the Anti-Money Laundering Act (AMLA). Furthermore, the Bank is authorized to disclose such information to third-party service providers under outsourcing agreements, provided such providers maintain equivalent security measures as required by the National Privacy Commission (NPC) and Section 112 of the Manual Regulations for Banks (MORB).

7. Insurance. The Borrower / Grantor shall at his expense procure comprehensive motor vehicle insurance against risk(s) of loss and/or damage (own / third party) by any means inclusive of but not limited to accident, theft, flood or fire, with an insurance company acceptable to the Bank / Secured Creditor (or its successors or assigns) until all obligations secured herein are fully paid, in the sum of not less than the outstanding balance of the obligation and endorse and deliver the insurance policy/ies in favor of the Bank / Secured Creditor (or its successors or assigns), so that the latter may, in case of loss, collect the amount insured and apply the same to the total or partial payment of the obligation, returning the balance remaining to the Borrower / Grantor.

The Borrower / Grantor shall, not later than ten (10) calendar days before expiry of the previous policy, submit the duly endorsed renewal policy to the Bank / Secured Creditor (or its successors or assigns) and should there be any unendorsed policy, the Borrower / Grantor renounces his right to collect the same personally in case a loss takes place, as the endorsement of this Note shall be considered a sufficient endorsement of each and all of said policies and to this end, the Borrower / Grantor authorizes the insurance companies concerned to pay any indemnity that may be due the Borrower / Grantor directly to the Bank / Secured Creditor (or its successors or assigns) upon mere presentation of this document without prejudice however, to a liquidation of accounts between the Borrower / Grantor and Bank / Secured Creditor (or the latter's successors or assigns).

In connection with the foregoing paragraphs, the Borrower / Grantor hereby irrevocably appoints the Bank / Secured Creditor (or its successors or assigns) as his Attorney-in-Fact with full power and authority to procure insurance policy/ies, and in the case of claim on the policy/ies, to file, prosecute, compromise or settle with the insurance company and in relation thereto, sign, execute and deliver the corresponding documents as may be necessary and collect proceeds of insurance to the extent of its interest.

8. Premium Payments. At the time of the execution of this document, the Borrower / Grantor shall pay all the premiums due on any and all insurance policy/ies required and shall deliver to the Bank / Secured Creditor (or its successors or assigns) the insurance policy/ies with the receipt evidencing payment of premiums. Likewise, the Borrower / Grantor shall pay all renewal premiums and deliver to the Bank / Secured Creditor (or its successors or assigns) copies of all receipts evidencing such payments not later than ten (10) calendar days prior to the expiration of the previous insurance policy/ies.

9. Taxes and Fees. The Borrower / Grantor shall pay all the taxes and fees on the registration of the notice of security interest and lien on the secured asset/s or collateral and subsequent periodic renewal of registration with the Land Registration Authority (LRA) which may hereafter be imposed by competent authorities on the secured assets or collateral not later than ten (10) calendar days before the expiration of the due date and shall deliver to the Bank / Secured Creditor (or its successors or assigns) copies of the official receipts evidencing such payment within the same period.

10. Maintenance and Repair and Right of Inspection. The Borrower / Grantor undertakes, at his own expense, to keep and maintain the secured asset/s in good running order, undertake all works and repairs that may be required by competent authorities to be done on the secured asset/s, and shall keep the same in perfect state of safety and maintenance and execute all repairs in case of damage or wear and tear. In connection therewith, Bank / Secured Creditor (or its successors or assigns) is hereby authorized to conduct, provided made within reasonable hours of the day, inspection and appraisal of the secured assets. In the event it is determined by the Bank / Secured Creditor (or its successors or assigns) that the secured asset/s has been leased, sold, mortgaged or assigned by the Borrower / Grantor without the prior written consent of the Bank / Secured (or its successors or assigns) or that said secured asset/s be subject of a writ of attachment, levy upon execution or the Borrower / Grantor is subject of any insolvency proceedings or suspension of payments, then the same shall automatically constitute an event of default that renders the Note immediately due and payable.

Failure by the Borrower / Grantor to produce or surrender possession of the secured asset/s for inspection and appraisal of the Bank / Secured Creditor (or its successors or assigns) upon the latter's request shall, unless proven otherwise, be deemed an acknowledgment by the Borrower / Grantor of having removed or disposed of the secured asset/s with intent to defraud the Bank / Secured Creditor (or its successors or assigns) and/or guilty of fraud in the debt or incurring the obligation herein.

11. Payment by Borrower/Grantor of Premium, Taxes, and Repairs. In case the Borrower / Grantor violates any of the conditions stipulated in the preceding paragraphs, the Bank / Secured Creditor (or its successors or assigns) may, in its sole discretion and without notice to the Borrower / Grantor, pay the insurance premiums, and all registration fees or taxes, prior or subsequent to the expiration of the period of payment of the same, as well as all surcharges due, which as stipulated are for the account of the Borrower / Grantor.

The Borrower / Grantor shall perform all necessary works and repairs, at its absolute discretion, without the necessity of notifying the latter. The Borrower / Grantor shall not question payments or advances actually made by the Bank / Secured Creditor (or its successors or assigns) by virtue of this condition and now henceforth renounce all protest or defense, against said payments. The Bank / Secured Creditor (or its successors or assigns) shall recover from the Borrower / Grantor all sums so advanced with interest at the rate of 3% per month plus penalty of 3% per month from the date of each advance until its complete reimbursement, the repayment of said advances together with the interest plus penalty due thereon, being likewise secured by this security agreement; it being understood that this stipulation shall be without prejudice to the right of the Bank / Secured Creditor (or its successors or assigns) to declare the obligation due and payable.

12. Prepayments on the Note. The Borrower / Grantor may make prepayments on the Note provided any prepayment corresponds to at least one [1] monthly amortization. Otherwise, any amount pre-paid shall instead be considered as advance payments on the Note.

13. Warranty and Violation of Conditions. The Borrower / Grantor warrants that the secured asset/s is free from all liens and encumbrances. Any violation of the conditions of this Note, or the inability for any reason to register this instrument as a first priority security interest and lien in the Office of the Register of Deeds or Land Transportation Office, for failure of the Borrower / Grantor to sign or deliver the necessary documents for said purpose, or for any other cause, shall give the Bank / Secured Creditor (or its successors or assigns) the right to declare the entire obligation due and payable and to enforce this security interest in accordance with the Personal Property Security Act (R.A. 11057) and its implementing rules and regulations, among other remedies.

14. Events of Default / Cross Default / Enforcement of Security Interest. In the event the Borrower / Grantor (a). fails to pay any installment/s or other sum which are due or may be due now or in the future to the Bank / Secured Creditor (or its successors or assigns) hereunder or other instruments of indebtedness by the Borrower / Grantor to the Bank / Secured Creditor (or its successors or assigns), or (b). violate or failed to perform any of the terms and conditions of this agreement, or (c). in the event of Borrower / Grantor's bankruptcy, insolvency, receivership, levy on execution of his / its property, garnishment or attachment, or in case of conviction or a criminal offence by final judgment carrying with it the penalty of civil interdiction or any case covered by Article 1198 of the New Civil Code, or (d). should the secured asset/s be lost, destroyed, damaged from any cause whatsoever including fortuitous event (it being considered lost to all intents and purposes if the Borrower / Grantor shall fail to produce the same or any part thereof on demand by the Bank / Secured Creditor (or its successors or assign), then the Bank / Secured Creditor (or its successors or assigns), shall have the right, at its option, to declare the entire obligation due and payable as well as any other obligation with the Bank / Secured (or its successors or assigns), its subsidiaries and affiliates, and may likewise at its option, either cancel the sale or foreclose or file an ordinary civil action for collection and / or such other action or proceedings as may be allowed under the law.

Upon default of the Borrower / Grantor, the Bank / Secured Creditor may enforce its security interest either through a judicial process or through an extra-judicial process, including the sale of the secured asset/s through either a public or private sale or disposition. Any judicial enforcement of security interests, including the sale/disposition of the secured asset/s or collateral shall be governed by the rules promulgated by the Supreme Court. The Bank / Secured Creditor may take possession of the collateral without judicial process for as long as possession can be taken without a breach of the peace. Breach of peace shall include entering the private residence of the Borrower / Grantor without permission, resorting to physical violence or intimidation, or being accompanied by a law enforcement officer when taking

possession or confronting the Borrower / Grantor. If the Bank / Secured Creditor cannot take possession of the collateral without breach of the peace, the rules and procedures laid down in taking possession through a judicial process shall be followed.

The Bank / Secured Creditor shall, upon taking possession of the vehicle, prepare an inventory of any personal items found within the vehicle at the time of repossession and provide a copy of this inventory to the Borrower / Grantor within a reasonable time frame.

Further, in relation to the preceding paragraph, the Borrower / Grantor also authorizes Bank / Secured Creditor (or its successors or assigns) to debit, at the latter's option, any and all of the Borrower / Grantor's accounts, irrespective of type, or any outstanding credits lodged with the Bank / Secured Creditor (or its successors or assigns), or any of its subsidiaries / affiliates, and apply the same to the payment of the Borrower / Grantor's obligations hereunder.

15. Application of Payments or Proceeds of Sale of Secured Asset/s. The Borrower / Grantor hereby authorizes the Bank / Secured Creditor (or its successors or assigns) to apply payments made in the latter's discretion and acknowledges that in case of sale of this secured asset/s through a public or private disposition, the proceeds of sale shall be applied as follows;

- a) To the payment of Insurance Premiums outstanding;
- b) To the payment of expenses and costs of foreclosure and sale, including attorney's fees as herein provided;
- c) To the satisfaction of all interest, penalties and charges accruing upon the obligations herein and hereby secured;
- d) To the satisfaction of the principal amount of the obligations herein and hereby secured.
- e) To the satisfaction of all other obligations then owed by the Borrower / Grantor to the Bank / Secured Creditor (or its successors or assigns) or its affiliates and / or subsidiaries;
- f) The balance, if any, to be due to the Borrower / Grantor

16. Authority of Bank / Secured Creditor in case of Deficiency. Should the proceeds from the sale of the secured assets not be sufficient to cover all of the obligations herein secured, the Bank / Secured Creditor (or its successors or assigns) is authorized to recover the deficiency from other securities, moneys or funds belonging to the Borrower / Grantor whatever their nature may be, which the Bank / Secured Creditor (or its successors or assigns) or any of its subsidiaries or affiliates may hold or have in its possession. To this effect, the Borrower / Grantor hereby confers upon the Bank / Secured Creditor (or its successors or assigns) irrevocable power and authority as shall be necessary to dispose of said securities, either judicially or extra-judicially, or apply said money or funds to the payment of the obligations herein secured, whichever may be convenient or advantageous to the latter, and in such cases, the Bank / Secured Creditor (or its successors or assigns) shall have full authority to execute and sign any and all kinds of documents which may be necessary to give effect and validity to any disposition made by it as aforesaid.

17. Restriction on Use, Sale, Lease, and Encumbrance. It is also a condition of this Security Agreement that the Borrower / Grantor shall not use as public utility vehicle (e.g. taxi, car for rent, "FX", school bus) nor lease, sell, further mortgage or encumber the secured asset/s without the previous written consent of the Bank / Secured Creditor (or its successors or assigns) and any violation of this condition by the Borrower / Grantor shall give the Bank/Secured Creditor (or its successors and assigns) the right to declare the entire obligation due and payable. The lease or sale of the property, in the event of foreclosure, shall not be impaired nor affected by contracts of sale, lease or other mortgage or security agreement hereafter entered into by the Borrower / Grantor even if said contracts be registered with the Office of the Register of Deeds and/or Land Transportation Office, or any other government agency, unless they are executed by the Borrower / Grantor with the consent of the Bank / Secured Creditor (or its successors or assigns).

18. Amendments. No term or condition of this Note shall be considered amended in any manner by any act of tolerance on the part of the Bank / Secured Creditor (or its successors or assigns), it being understood that any amendment to this Note shall be made in writing.

19. **Solidary.** If the term Borrower / Grantor herein refers to two or more persons, the obligation of the Borrower / Grantor stipulated in this Note shall be deemed to be joint and several.

20. **Bank / Secured Creditor's Right to Assign.** The Bank / Secured Creditor (or its successors or assigns) reserves the right to sell, cede, transfer or assigns to any person or entity its rights and interests in and to this Note and obligations of the Borrower / Grantor, for which the Borrower / Grantor hereby gives his consent.

21. **Attorney's Fees.** In case the Bank / Secured Creditor (or its successors or assigns) should engage the services of counsel to enforce its rights under this Agreement, the Borrower / Grantor shall pay an amount equivalent to twenty-five percent (25%) of the total amount claimed by the Bank / Secured Creditor (or its successors or assigns) which in no case shall be less than Pesos: Ten Thousand (PHP10,000.00), Philippine Currency, plus costs, collection expenses and disbursements allowed by law, all of which shall also be secured by this Security Agreement.

22. **Venue of Action.** Any action or suit under this Agreement or any other document related hereto shall be instituted in the proper courts of Makati City or such place where the Bank / Secured Creditor (or its successors or assigns) has an office or branch, or wherein the secured asset/s may be found or located.

23. **Separability.** In case any one or more of the provisions contained herein shall be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

24. **Notices.** For all legal intents and purposes, the Borrower/Grantor hereby waives all notices and demands relating to this Agreement. At the option of the Bank/Secured Creditor, notices and demands may be sent by mail or personal delivery to the Borrower / Grantor at the address on record or last given in writing to the Bank /Secured Creditor (or its successors or assigns) shall be considered valid and effective notwithstanding actual non receipt by the Borrower / Grantor.

25. **Other Forms.** The terms and conditions of other instruments of indebtedness secured by this Security Agreement are herein incorporated and are considered part of this contract.