

PN NO.

Principal Amount

Date

**PROMISSORY NOTE WITH TRUST RECEIPT**

FOR VALUE RECEIVED, the ENTRUSTEE/S with office address/es stated below and acting through the undersigned (hereinafter ENTRUSTEE including the plural), jointly and severally, promise to pay to the order of **THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED** (hereinafter ENTRUSTOR), at its office in HSBC Centre, 3058 Fifth Avenue West, Bonifacio Global City, Taguig City, Philippines on or before subject to the ENTRUSTOR's overriding right to require repayment of outstandings on demand, the sum of (amount in words) (amount in figures) Currency (the "Loan"), with interest from date hereof at the rate of per cent per annum ( %) payable as follows:

Principal Repayable: In full on maturity  
By instalments  
Interest Payable: In arrears Upfront Discounted  
Interest rate: subject to repricing every  
not subject repricing

ENTRUSTEE further agrees to pay penalty interest at the rate of the aforementioned regular interest rate plus per cent per annum on all overdue principal outstanding.

ENTRUSTEE agrees that the ENTRUSTOR may, upon written notice to ENTRUSTEE increase or decrease the interest rate and/or penalty interest rate stipulated in this note depending upon prevailing money market conditions, including but not limited to extraordinary inflation or deflation, official or unofficial depreciation of the Philippine currency and/or the currency of this note, extraordinary increase or decrease of the effective value or purchasing power of the Philippine currency and/or the currency of this note, enactment of a government law or regulation which has the effect of increasing or decreasing the ENTRUSTOR's cost of funds and similar events. Should the ENTRUSTEE disagree with the adjustment, the ENTRUSTEE shall have the option to prepay the principal amount of this note and all the amounts due thereunder within thirty (30) days from receipt of the notice from the ENTRUSTOR. Otherwise, the ENTRUSTEE shall be deemed to have agreed to the adjustment.

ENTRUSTEE authorizes the ENTRUSTOR to, without liability, set-off and/or transfer any monies standing to the credit of the ENTRUSTEE's other accounts with the ENTRUSTOR in, or towards, satisfaction of the ENTRUSTEE's liabilities to the ENTRUSTOR under this note, whether or not the outstanding obligation is in a currency different from the currency of the monies intended for setting off/transfer, or is held at a branch in a different jurisdiction or with any member of the HSBC Group (i.e. companies wholly or partially owned by the ENTRUSTOR, its parent companies or under common ownership with the ENTRUSTOR) in any other jurisdiction, and/or held by the ENTRUSTEE jointly with other persons/ entities; and to dispose of any securities, deeds, boxes and parcels and other contents, and property of any description held in ENTRUSTEE's name by the ENTRUSTOR, by a branch in a different jurisdiction, or by any member of the HSBC Group (i.e. companies wholly or partially owned by the ENTRUSTOR, its parent companies or under common ownership with the ENTRUSTOR) in any other jurisdiction and to apply the proceeds thereof towards the satisfaction of ENTRUSTEE's liabilities to the ENTRUSTOR. The ENTRUSTOR's rights hereunder shall not be affected by the ENTRUSTEE's dissolution, bankruptcy or insolvency.

ENTRUSTEE agrees to pay any taxes (including, but not limited to Value-Added Tax (VAT), levies, imposts, duties, chargers, fees deductions, withholdings, restrictions or conditions of any nature now or hereafter imposed by the Republic of the Philippines or any political subdivisions or taxing authority thereof or therein. For such withholding taxes, the ENTRUSTEE shall transmit to the ENTRUSTOR the proof of payment of such taxes, including the Certificate of Final Tax Withheld at Source (BIR Form 2306) and Certificate of Creditable Tax Withheld at Source (BIR Form 2307) stating the complete and accurate details, no later than the 31st of January of the immediately succeeding year for BIR Form 2306 and not later than the 20th calendar day after the reference quarter-end for BIR Form 2307. ENTRUSTEE agrees to pay the ENTRUSTOR the amount covered by such proof of payment that is not transmitted to the ENTRUSTOR pursuant hereof. Thus, ENTRUSTEE authorizes the ENTRUSTOR to debit, without need of further notice, such amount of withholding tax or its equivalent from the ENTRUSTEE's Account No. and if no such nominated account is provided, any account, including foreign currency denominated account/s, maintained by the ENTRUSTEE with the ENTRUSTOR.

For a foreign currency denominated note, the ENTRUSTEE agrees to pay the principal of the Loan and the interest thereon in the lawful currency of the note without set-off or counterclaim, free and clear of, and without deduction or withholding for any present or future taxes or any other deductions or withholdings of any nature. If the ENTRUSTEE is required to make any such deductions or withholding from any such payment, the ENTRUSTEE shall pay such additional amounts. The ENTRUSTEE therefore agrees to pay Withholding Tax of 10% due on interest.

Any Documentary Stamp Tax due on this note if any shall be for the sole account of the ENTRUSTEE.

ENTRUSTOR hereby releases to the ENTRUSTEE the documents specified below ("the Documents"):

This document may be executed electronically and/or by way of electronic signature by the parties. Both parties agree that any electronic signature/s of their respective signatories as indicated therein shall be deemed as an original signature/s, shall have the same force and effect as an original signature, and binding upon both parties. Furthermore, both of the parties agree that if this document shall be executed electronically or by way of electronic signature, the best evidence of this document shall be a copy of this document bearing an electronic signature, in portable document format (.pdf) form, or in any other electronic format intended to preserve the original graphic and pictorial appearance of a document.

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DOCUMENTS		GOODS		
Bill of Lading No. / Airway Bill No. / Parcel Post Receipt No.	Other Documents	Description	Quantity	Value
		Marks and Numbers	Gross Weight	Vessel

The ENTRUSTEE hereby agrees that the other terms and conditions contained on the reverse side hereof as Paragraphs 1 to 13 be incorporated herein and made an integral part hereof.

Notice of demand, presentment, dishonor and protest are hereby waived.

Unless indicated below, the Loan is primarily for \_\_\_\_\_ purposes. ENTRUSTOR may terminate the Loan or demand immediate repayment of the obligation should the ENTRUSTEE use the proceeds of the Loan for any purpose other than as stated above.

THE ENTRUSTEE HEREBY ACKNOWLEDGES RECEIPT OF A COPY OF THIS NOTE. THE ENTRUSTEE AND/OR ITS DULY AUHTORIZED REPRESENTATIVE HEREBY AFFIRM AND ACKNOWLEDGE THAT THEY HAVE CAREFULLY READ AND UNDERSTOOD ALL THE STIPULATIONS IN THIS NOTE, AND FURTHER AFFIRM THAT AT THE TIME THEIR SIGNATURE WAS AFFIXED, ALL THE BLANK SPACES WERE CORRECTLY AND COMPLETELY FILLED UP. THE ENTRUSTEE AGREES THAT IF THERE ARE CORRECTIONS THAT NEED TO BE MADE ON THIS NOTE, IN THE LOAN DOCUMENTS AND OTHER RELATED DOCUMENTS, INCLUDING WITHOUT LIMITATION, CORRECTIONS TO THE NAMES AND ADDRESSES OF THE PARTIES HEREIN, THE DESCRIPTION OF COLLATERAL AND OTHER DATA, AS WELL AS CORRECTIONS OF TYPOGRAPHICAL ERRORS, THE ENTRUSTOR AND/OR ITS ASSIGNEE ARE HEREBY AUTHORIZED TO MAKE SUCH CORRECTIONS.

**ENTRUSTEE**

Address:

By:

Signature

Signature

Name

Name

SIGNATURE/S VERIFIED Per BR dated _____
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Noted:

**THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED**

By:

Signature

Signature

Name

Name

This document may be executed electronically and/or by way of electronic signature by the parties. Both parties agree that any electronic signature/s of their respective signatories as indicated therein shall be deemed as an original signature/s, shall have the same force and effect as an original signature, and binding upon both parties. Furthermore, both of the parties agree that if this document shall be executed electronically or by way of electronic signature, the best evidence of this document shall be a copy of this document bearing an electronic signature, in portable document format (.pdf) form, or in any other electronic format intended to preserve the original graphic and pictorial appearance of a document.

OTHER TERMS AND CONDITIONS  
PROMISSORY NOTE WITH TRUST RECEIPT

1. The Documents and the goods and/or proceeds to which they relate (“the Goods”) will be held for the benefit of the ENTRUSTOR and the ENTRUSTEE will receive the Documents and take delivery of the Goods exclusively for the purpose of selling the Goods unless otherwise directed by the ENTRUSTOR.
2. The Documents, the Goods and the proceeds of their sale are and will be held by the ENTRUSTEE in the trust for the ENTRUSTOR and solely to the order of the latter. The ENTRUSTEE shall immediately pay the proceeds to the ENTRUSTOR upon receipt thereof or of each portion thereof, as the case may be, without set-off or any deduction. The ENTRUSTEE shall properly document in its records the interest of the ENTRUSTOR in the Goods.
3. The ENTRUSTOR is hereby authorized to demand and/or receive the sale proceeds of the Goods direct from any buyer or other person.
4. The Goods shall be stored in the name of the ENTRUSTOR and any warrants for the Goods shall be delivered to the ENTRUSTOR. The ENTRUSTOR is authorized to enter any premises so as to inspect or secure possession of the Goods, to remove and dispose of the Goods as the ENTRUSTOR deems expedient.
5. The ENTRUSTEE shall pay all warehousing, freight, dock and other charges relating to the Goods and Documents.
6. The ENTRUSTEE shall keep as far as practically possible this transaction, the Documents, the Goods and all Proceeds thereof separate from any other and shall not permit the Goods to be processed or altered without the consent of the ENTRUSTOR.
7. The ENTRUSTEE shall keep the Goods fully insured against all insurable risks and shall hold the policies in the name of the ENTRUSTOR as beneficiary and any insurance proceeds in trust for the ENTRUSTOR. In the event of loss or damage, the ENTRUSTEE shall account to the ENTRUSTOR immediately for any moneys received from the insurers and shall make good any deficiency.
8. The ENTRUSTEE shall not sell or otherwise dispose of any Goods, except by a sale or other disposition in accordance with the terms and conditions of this Trust Receipt.
9. The ENTRUSTOR may, at any time, cancel this trust and take possession of the Goods and/or the Documents and/or the proceeds of sale, wherever and in whatever form the same may be. The ENTRUSTEE shall return to the ENTRUSTOR forthwith upon the latter’s request at any time the Documents and to comply promptly and fully with any instructions given by the ENTRUSTOR as to the manner of dealing with the Goods or any of them.
10. This Promissory Note with Trust Receipt shall be governed and construed in all respect in accordance with P. D. 115 otherwise known as the Trust Receipt Law as the same may be amended from time to time.
11. This document shall be binding upon and inure to the benefit of the ENTRUSTOR and the ENTRUSTEE and their respective successors and endorsees and assigns, provided that the ENTRUSTEE may not assign or transfer its rights and obligations hereunder without prior written consent of the ENTRUSTOR.
12. In case any one or more of the provisions contained on this document 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.
13. In case collection is made through an attorney, ENTRUSTEE agrees to pay 10 percent (10%) of the amount due on this note (but in no case less than PHP25,000.00) as and for attorney’s fees in addition to expenses and cases of suit.

This document may be executed electronically and/or by way of electronic signature by the parties. Both parties agree that any electronic signature/s of their respective signatories as indicated therein shall be deemed as an original signature/s, shall have the same force and effect as an original signature, and binding upon both parties. Furthermore, both of the parties agree that if this document shall be executed electronically or by way of electronic signature, the best evidence of this document shall be a copy of this document bearing an electronic signature, in portable document format (.pdf) form, or in any other electronic format intended to preserve the original graphic and pictorial appearance of a document.

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