

UNDERTAKING

This Undertaking ("**Undertaking**") is executed by:

Paul Vincent Go ("Paul Go"), Filipino citizen, with address at 168 SapangBakaw St., LawangBato, Valenzuela City, Philippines; and

TQMP Glass Manufacturing Corp. ("TQMP Corp."), a corporation organized and existing under the laws of the Philippines, with principal office address at 168 SapangBakaw St., LawangBato, Valenzuela City 1447, represented herein by its President, Paul Go, under authority pursuant to the Secretary's Certificate attached hereto as **Annex A**;

in favor of the **Philippine Competition Commission**, created pursuant to Republic Act No. 10667 with address at the 2/F DAP Building, San Miguel Avenue, Ortigas Center, Pasig City (the "**PCC**").

WHEREAS

- (A) Paul Go, through TQMP Corp., intends to acquire 100% of the outstanding capital stock of both AGC Flat Glass Philippines, Inc. ("**AGPH**"), a corporation organized and existing under the laws of the Philippines with principal office address at Asahi Special Economic Zone (ASEZ), 730 M.H. del Pilar Street, Pinagbuhatan, Pasig City and Republic Asahi Realty Corporation ("**RARC**") with principal office address at Asahi Special Economic Zone (ASEZ), 730 M.H. del Pilar Street, Pinagbuhatan, Pasig City;
- (B) Pursuant to Republic Act No. 10667, the proposed acquisition by TQMP of AGPH and RARC ("**Transaction**") was notified to the PCC and on 12 September 2017, Phase I Review of the Transaction was initiated;
- (C) On 11 October 2017, Phase II Review of the Transaction was initiated by the Mergers and Acquisitions Office of the PCC ("**MAO**") and a state of play meeting between Paul Go and the MAO was held on 13 October 2017;
- (D) Pursuant to the state of play meeting, Paul Go submits this Undertaking, subject to the acceptance by the PCC, to address potential anti-competitive concerns that may arise out of the Transaction.

1. DEFINITIONS AND INTERPRETATION

1.1. Without prejudice to the other terms defined herein, the following terms shall have the following meanings:

"AGPH"	has the meaning given to it in the recitals and shall include its successors and assigns.
"Consummation"	has the meaning given to it in Clarificatory Note No. 16-001 issued by the PCC.

(M-032/2017)



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"Control"	has the meaning given to it in Republic Act 10667, the Rules and Regulations to Implement Republic Act No. 10667, and the Merger Review Guidelines. "Controlled" shall be construed accordingly.
"Entity"	means any person, natural or juridical, sole proprietorship, partnership, combination or association in any form, whether incorporated or not, domestic or foreign, including those owned or controlled by the government, engaged directly or indirectly in any economic activity
"First Group" "MAO"	Means AGPH and any Related Entity/ies. has the meaning given to it in the recitals.
"Margin Squeeze"	means increasing the price of an input when an Entity sells to its rivals or competitors in the downstream market with the effect of substantially preventing, restricting, or lessening competition.
"Monitor"	has the meaning given to it in clause 3.5.
"PCA"	means the Philippine Competition Act or Republic Act No. 10667.
"PCC" or the "Commission"	means the Philippine Competition Commission as constituted under Republic Act No. 10667.
"PGPSI" or "Second Group"	means Philippine Glass Processing Specialist (PGPSI) Inc.
"RARC"	has the meaning given to it in the recitals and shall include its successors and assigns.
"Retaliate"	has the meaning given to it in clause 2.1.8.
"Related Entity(ies)"	means any Entity(ies) Controlled by Paul Go including but not limited to TQMP Corp,



Glass Planet Aluminum Depot ("GPAD"), and TQMP Marketing, and shall include their successors and assigns.

"Transaction"

has the meaning given to it in the recitals.

"Undertaking"

has the meaning given to it in the recitals.

1.2. In this Undertaking, save where the context otherwise requires:

- 1.2.1. words in the singular shall include the plural, and vice versa;
- 1.2.2. a reference to "day" or "days" shall mean calendar days unless otherwise stated;
- 1.2.3. the headings in this Undertaking are for convenience only and shall not affect the interpretation of any provision of this Undertaking; and
- 1.2.4. references to this Undertaking include this Undertaking as modified, amended, or supplemented in accordance with its terms.

2. COMMITMENTS

2.1 As a condition to the approval by the PCC of the Transaction, Paul Goand TQMP Corp. shall do or cause to be done by any current or future Related Entity and/or AGPH, as applicable, the following obligations after the Consummation of the Transaction (each of which is a "Commitment"):

- 2.1.1 AGPH shall, to the extent practicable and subject to a fair, reasonable, and non-discriminatory manner of doing business, maintain the current channels of sale and distribution of clear float glass, bronze float glass, and processed glass, in the different levels of the supply chain serviced by AGPH. A description of such sales channels referred to in this clause 2.1.1 is attached as **Schedule A** hereof;
- 2.1.2 The Related Entities and AGPH shall enter into any commercial contracts and dealings with or among themselves and PGPSI on an arms-length basis;
- 2.1.3 The Related Entities and AGPH shall extend fair, reasonable, and non-discriminatory pricing and payment terms, and provide an equal quality of products and/or services to all current and future customers of AGPH in the markets for clear float glass, bronze float glass, and processed glass, including competitors of PGPSI, any Related Entity or AGPH in the raw and processed glass market;
- 2.1.4 The Related Entities and AGPH shall maintain a practice of processing purchase orders and delivering clear float glass, bronze float glass, and processed glass on a non-discriminatory first-in-first-out basis, subject only to force majeure and availability of raw materials and/or finished products to process the orders. A

description of such practice referred to in this clause 2.1.4 is attached as **Schedule B** hereof;

- 2.1.5 TQMP Corp. and/or Paul Go shall cause AGPH to avoid entering into restrictive or exclusive contracts with the intention of blocking competitors' access to vital inputs to its products and/or complementary products, and which has the effect of substantially preventing, restricting, or lessening competition, but without limiting any right to enter into permissible franchising, licensing, exclusive merchandising, or exclusive distributorship agreements, unless found by the Commission to result in substantial lessening of competition;
- 2.1.6 The First Group shall maintain a distinct set of Key Officers (as hereinafter defined) from the Second Group for the corporate planning, finance, business development, sales and marketing departments, provided that Paul V. Go shall have a period of one (1) year from the Consummation of the Transaction to resign from key positions held by him in PGPSI. Key Officers shall refer to those holding the rank of Vice President or higher in the aforementioned departments, and shall exclude corporate directors. Further, no information as to pricing, costs, margins, orders, delivery times, and other information pertaining specifically to AGPH customers shall be shared by the First Group with the Second Group.
- 2.1.7 AGPH shall include a notice or statement in the form set out in **Schedule C** in its website, as well as in its contracts with customers, that alleged violations of the Philippine Competition Act or any of the Commitments in this Undertaking by AGPH and any Related Entity may be reported to the PCC through its telephone number or its website, as may be updated from time to time;
- 2.1.8 The Related Entities or AGPH shall, to the extent practicable and subject to a fair, reasonable, and non-discriminatory manner of doing business, not refuse to provide to an Entity or provide to an Entity, on less favorable terms than similarly situated customers, clear float glass, bronze float glass, or processed float glass products, as the case may be, or services to an Entity, because it is known, or could reasonably be inferred to be known, by Paul Go, TQMP Corp., AGPH, or any Related Entity, that such Entity is, has, or is contemplating contracting with another Entity for similar products or services ("**Retaliate**"), which has the effect of substantially preventing, restricting, or lessening competition. For the avoidance of doubt and subject to Section 14(c) of the PCA, the Related Entities or AGPH shall be allowed to enforce the terms of valid supply or distributorship agreements in case of breach thereof by the customer, without prejudice to the right to unilaterally terminate the same under Section 15 (e)(1) of the PCA. Paul Go and TQMP Corp. shall also refrain from threatening to Retaliate against an Entity. "**Retaliate**" shall also include Margin Squeeze, quantitative restriction of products or services, and reduction of the quality of outputs or services which has the effect of substantially preventing, restricting, or lessening competition; and
- 2.1.9 Provide non-individualised discounts or rebates which shall not be exclusionary or result in foreclosure. Such discounts or rebates shall be made known to customers at the start of every year.

3. MONITORING, REPORTORIAL REQUIREMENTS, AND COMPLIANCE INSPECTION

3.1. In relation to the Commitments provided in clause 2 above, Paul Go and TQMP Corp. shall do or cause to be done the following:

3.1.1. Submit, within 60 days from each anniversary date of the Consummation of the Transaction, an annual report containing monthly data on price, cost, margins, and product description, per product thickness for each of clear float glass, bronze float glass, and processed glass, covering the sales to either of the top twenty customers or the customers constituting at least 80% of sales by revenue, whichever of the two constitutes a higher number of AGPH's customers, during the term of this Undertaking;

3.1.2. Submit, within 60 days from the first anniversary date of the Consummation of the Transaction, a report containing monthly data on price, cost, margins, and product description, per product thickness for each of clear float glass, bronze float glass, and processed glass, covering the sales to either of the top twenty customers or the customers constituting at least 80% of sales by revenue, whichever of the two constitutes a higher number of AGPH's customers for the 6 months preceding the Consummation of the Transaction; *provided*, in determining compliance with this clause 3.1.2, the PCC shall take into account that the data of AGPH preceding the Consummation of the Transaction cannot be independently verified by Paul Go or TQMP Corp.; and

3.1.3. Submit within 120 days from the end of the first, third, fifth and eighth anniversary date following the consummation of the Transaction a transfer pricing report in accordance with BIR Revenue Regulations 2-2013, as may be amended, modified, or superseded from time to time, covering transactions entered into by AGPH with any Related Entity and PGPSI; to be prepared by an independent Philippine auditing firm associated with any of the following firms: [confidential]
[confidential] (iv) or such other entity as may be approved by the PCC upon due notice by Paul Go; *provided*, that no such firm or entity shall be employed for consecutive reporting periods under this clause 3.1.3; *provided further*, that for the avoidance of doubt, the same independent auditor may be appointed for alternate reporting periods. The authorized representative of the PCC may, upon reasonable notice, require a meeting with the firm or entity retained pursuant to this clause 3.1.3 to discuss the content and methodology of such report.

3.2. In relation to the Commitment under clause 2.1.5 Paul Go and TQMP Corp. shall do or cause to be done the submission within 15 days upon request by the PCC, copies of such contracts entered into by AGPH with any or all of its customers.

3.3. For purposes of determining or securing compliance with this Undertaking, or of determining whether the Undertaking should be amended, modified, supplemented, or vacated, from time to time duly authorized representatives of the PCC, including consultants and other persons retained by the PCC, shall, upon written request by the

PCC, and on reasonable notice to Paul Go, TQMP Corp., any Related Entity, or AGPH, as appropriate, be permitted:

- 3.3.1. Access during office hours to inspect and copy, or at the option of the PCC, to require the provision of hard copies or electronic copies of, all books, ledgers, accounts, records, data, and documents in the possession, custody, or control of Paul Go, TQMP Corp., AGPH, or any Related Entity, relating to any matters contained in this Undertaking; and
 - 3.3.2. To interview, either formally or informally or on the record, officers, employees, or agents as identified in the written request referred to in clause 3.3 above, who may have their individual counsel present, regarding such matters. The interviews shall be subject to the reasonable convenience of the interviewee without restraint or interference by Paul Go, TQMP Corp., AGPH, or any Related Entity.
- 3.4. Upon a written request of an authorized representative of the PCC, Paul Go, TQMP Corp. AGPH, or any Relevant Entity shall submit written reports, under oath if requested, relating to any matters contained in this Undertaking. Written reports authorized under this clause 3.4 may, at the sole discretion of the PCC, require Paul Go, TQMP Corp., AGPH, or any Related Entity, as appropriate, to conduct, at their own costs, an independent audit or analysis relating to any of the matters contained in this Undertaking.
- 3.5. Upon PCC's resolution, after discussion with TQMP Corp. and Paul Go, the PCC may appoint an independent third-party monitoring trustee ("Monitor") to monitor Paul Go and TQMP Corp.'s compliance with the provisions of this Undertaking. For this purpose, PCC shall notify Paul Go and TQMP Corp. in writing of such requirement. Paul Go and/or TQMP Corp. may provide a list of three (3) nominees for the Monitor position. For the avoidance of doubt, the PCC may appoint a Monitor not included in the list of nominees submitted by Paul Go and/or TQMP Corp. The Monitor shall have the following powers and responsibilities:
- 3.5.1. The Monitor shall monitor Paul Go and TQMP Corp.'s compliance with the Commitments under clause 2 and the authority to request documents, conduct interviews, or require the production of appropriate documents or reports under clauses 3.2, 3.3 and 3.4;
 - 3.5.2. Any costs associated with the appointment and retention of the Monitor shall be at the cost of Paul Go and TQMP Corp. Any fees payable to the Monitor shall be reasonable and subject to the approval of the Commission;
 - 3.5.3. Paul Go and TQMP Corp. shall exert all reasonable efforts to assist the Monitor in the execution of its functions.;
 - 3.5.4. The Monitor shall make reports to the PCC subject to terms and conditions required by the PCC;



3.5.5. The PCC shall require the Monitor to observe the same confidentiality obligations imposed under Section 34 of Republic Act No. 10667, and to not act as consultant, director, officer, employee or agent or any similar capacity for any Entity engaged in the same business, trade or industry as the Related Entities, AGPH, or PGPSI within two (2) years from termination of its appointment as Monitor;

3.5.6. The Monitor shall serve as such until terminated at the discretion of the PCC or such other term as may be determined PCC.

3.6. TQMP Corp. and Paul Go shall report to the PCC or the Monitor as appropriate, within 30 days from the filing by TQMP Corp., Paul Go, or any Related Entity, any application with any government agency for the imposition or extension of any duties or quotas on imported clear or bronze float glass.

3.7. TQMP Corp. and Paul Go shall report to the PCC or the Monitor as appropriate, any imposition or alteration of a discount or rebate policy it may have in relation to the sale of clear or bronze float glass. The report shall be submitted to the PCC or the Monitor within 30 days from the imposition or alteration of any such discount or rebate policy.

4. EFFECTIVITY, TERM, AND TERMINATION

4.1. This Undertaking shall be effective from its approval and acceptance by the PCC and shall terminate on the day of the 10th anniversary date of the Consummation of the Transaction, unless earlier terminated by the PCC.

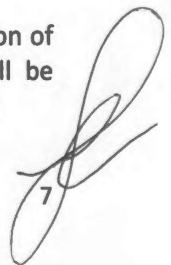
4.2. Should AGPH or any business or division thereof be sold or otherwise transferred to any third-party transferee before the end of the term of this Undertaking, Paul Go and TQMP Corp. shall cause such third-party transferee to be bound by this Undertaking and to perform all of the obligations hereunder for the remainder of the term hereof as a condition to such sale or transfer.

4.3. Should any Commitment stated herein be found ineffective by the PCC, it may require the adoption of structural measures and/or additional behavioral commitments upon due notice and opportunity to be heard are given to Paul Go and TQMP Corp.

5. VIOLATIONS OF THIS UNDERTAKING

5.1. Any violations of this Undertaking including delay in the performance of any obligations herein, shall, upon due notice and opportunity to be heard, be punishable as a violation of an order or decision of the PCC as set out in Section 29 of Republic Act No. 10667.

5.2. Any arrangement, contractual or otherwise, intended to circumvent the application of this Undertaking shall be considered a violation of this Undertaking and shall be subject to the appropriate penalty under this clause 5 and Republic Act No. 10667.



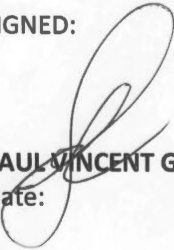
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5.3. Paul Go and TQMP Corp. shall be solidarily liable for any fines or penalties imposed pursuant to this Undertaking.

6. AMENDMENTS AND MODIFICATIONS

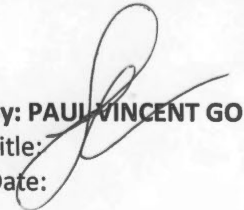
6.1. During the term of this Undertaking, Paul Go and TQMP Corp. may jointly apply with the PCC for it to be modified, amended, supplemented, or vacated for good cause. "Good cause" includes circumstances which impose undue economic hardship upon Paul Go and TQMP Corp. that were not apparent at the time of this Undertaking. The PCC may likewise initiate the modification, amendment, supplementation, or vacation of this Undertaking upon good cause.

SIGNED:



PAUL VINCENT GO
Date:

TQMP Glass Manufacturing Corp.



By: **PAUL VINCENT GO**
Title:
Date:

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

SECRETARY'S CERTIFICATE

I, **Angelica Chen Go**, of legal age, Filipino and with address at 2066 Candido St., Mapulang Lupa, Valenzuela, after being sworn to in accordance with law, hereby depose and state under oath that:

1. I am the duly elected and qualified Corporate Secretary of **TQMP GLASS MANUFACTURING CORP.** (the "**Corporation**"), a corporation duly organized and existing under the laws of the Republic of the Philippines, with office address at 168 Sapang Bakaw St., Lawang Bato, Valenzuela City.

2. At the duly constituted special meeting of the Board of Directors of the Corporation held on 17 November 2017 where a quorum was present and acting throughout, the Corporation passed and approved the following resolution:

"RESOLVED, that TQMP Glass Manufacturing Corp. (the "**Corporation**") be, as it is hereby authorized, to execute an Undertaking ("**Undertaking**") in favor of the Philippine Competition Commission ("**PCC**") for purposes of formalizing the Corporation's voluntary commitments and undertakings to address potential anti-competitive concerns that may arise out of the proposed acquisition by the Corporation of the shares in AGC Flat Glass Philippines, Inc. and Republic Asahi Realty Corporation ("**Transaction**");

"RESOLVED, FURTHER, that the Corporation's President, **Mr. Paul Vincent Go**, be, as he is hereby authorized to negotiate, sign, execute, and deliver, on behalf of the Corporation, the Undertaking, as well as any and all other documents related to or necessary to give effect to the foregoing."

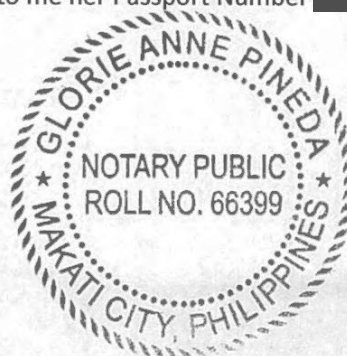
3. The above resolution is in accordance with the records of the Corporation and have not been altered, amended or revoked as of this date and the same shall remain valid and binding on the Corporation unless otherwise revoked in writing by the Board of Directors.

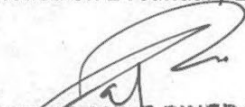
IN WITNESS WHEREOF, this certification has been signed this NOV 27 2017 day of November 2017 in Makati City.


Angelica Chen Go
Corporate Secretary

SUBSCRIBED AND SWORN TO before me this this NOV 27 2017 day of November 2017 in Makati City, affiant exhibited to me her Passport Number [REDACTED] issued on 24 January 2015 at DFA Manila.

Doc. No. 44;
Page No. 84;
Book No. I;
Series 2017.




GLORIE ANNE PINEDA
NOTARY PUBLIC FOR MAKATI CITY
Appointment No. M-205
Commission Expires on December 31, 2018
Roll No. 66399
IBP LRN 015041/05-30-2016/ Makati
PTR No. 5918182/01-09-2017/Makati City
MCLE Exempt (Admitted to the Bar 2016)
10F 8 Rockwell, Hidaigo corner Plaza Drive
Rockwell Center, Makati City

Schedule A

Description of Sales Channels

AGPH currently engages in the sale of glass on a wholesale basis to glass distributors nationwide. Such practice shall be continued by TQMP Corp. once it acquires AGPH.

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke at the bottom.

ScheduleB

Description of Processing of Purchase Orders and Delivery

The non-discriminatory first-in, first-out ("FIFO") processing of purchase orders of clear float glass, bronze float glass, and processed glass shall be, as far as practicable, based on the date the purchase orders were made, subject only to force majeure and availability of raw materials and/or finished products to process the orders.

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke at the end.

Schedule C

AGPH is mandated, to the extent practicable and subject to a fair, reasonable, and non-discriminatory manner of doing business, to set prices and provide services to its customers, and to maintain a non-discriminatory practice in the processing of purchase orders and delivery of products and services. It may not refuse to sell its products or services to glass distributors on less favorable terms than similarly situated customers because i.) such person is a competitor of AGPH's customer which is a related company or ii.) such person is purchasing products or services from the competitors of AGPH.

In accordance with Section 15(e)(1) of the Philippine Competition Act (Republic Act No. 10667) ("PCA"), which provides that:

SEC. 15. *Abuse of Dominant Position.* – It shall be prohibited for one or more entities to abuse their dominant position by engaging in conduct that would substantially prevent, restrict or lessen competition:

xxx

(e) Imposing restrictions on the lease or contract for sale or trade of goods or services concerning where, to whom, or in what forms goods or services may be sold or traded, such as fixing prices, giving preferential discounts or rebate upon such price, or imposing conditions not to deal with competing entities, where the object or effect of the restrictions is to prevent, restrict or lessen competition substantially: *Provided,* That nothing contained in this Act shall prohibit or render unlawful:

(1) Permissible franchising, licensing, exclusive merchandising or exclusive distributorship agreements such as those which give each party the right to unilaterally terminate the agreement;

xxx

AGPH shall not be prevented from enforcing the terms of valid supply/distributorship agreements by unilateral termination thereof in case of breach by the customer.

The foregoing is also without prejudice to Section 14(c) of the PCA which allows agreements "which contribute to improving the production or distribution of goods and services or to promoting technical or economic progress, while allowing consumers a fair share of the resulting benefits".

Any violation by AGPH of these conditions or of the PCA may be reported to the Philippine Competition Commission through its telephone number at [•] or through its website at [•].

ACKNOWLEDGMENT

Republic of the Philippines)
Makati City) ss.

BEFORE ME, a Notary Public in and for Makati City, Philippines, this 1 December 2017 personally appeared:

Name	Proof of Identification	Date and Place Issue
Paul Vincent Go	[REDACTED]	Aug 16, 2017
TQMP Glass Manufacturing Corp. By: Paul Vincent Go	[REDACTED]	Aug 16, 2017

All known to me and to me known to be the same persons who executed the foregoing Undertaking and they acknowledged to me that the same is their free and voluntary act and deed, and that they have authority to represent their respective principals.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my notarial seal on the date and at the place first above written.

Doc. No. 214 ;
Page No. 44 ;
Book No. III ;
Series of 2017.



Nonalyn S. Superable
NONALYN S. SUPERABLE
NOTARY PUBLIC FOR MAKATI CITY
Appointment No. M-206
Commission Expires on December 31, 2018
Roll No. 65639
IBP LRN 014849/05-18-2016/Laguna
PTR No. 5918187/01-09-2017/Makati City
MCLE Exempt (Admitted to the Bar 2016)
10F 8 Rockwell, Hidalgo corner Plaza Drive
Rockwell Center, Makati City