

aboitiz

Equity Ventures

January 6, 2006

MR. JAIME JOSE ABOITIZ
President and Chief Operating Officer
Cotabato Light & Power Co., Inc.
Sinsuat Avenue, Cotabato City 9600

Dear Mr. Jaime Jose Aboitiz:

Re: Management Fees


With reference to our discussions regarding the Management Contract between Cotabato Light & Power Co., Inc. ("CLPC") and Aboitiz & Co., Inc. ("ACO"), which was assigned by ACO to Aboitiz Equity Ventures, Inc. ("AEV") on December 14, 2005, we hereby confirm the agreement between AEV and CLPC that the management fees payable under the said Management Contract shall be equivalent to two percent (2%) of the gross annual revenue of CLPC, exclusive of Value Added Tax, effective January 1, 2006.

Sincerely,


ERRAMON I. ABOITIZ
Executive Vice President & Chief Operating Officer

Conforme:

COTABATO LIGHT & POWER, INC.
By:


JAIME JOSE ABOITIZ
President and Chief Operating Officer
Date: Jan 10, 2006

Aboitiz Equity Ventures, Inc.
Aboitiz Corporate Center
Gov. Manuel A. Cuenco Avenue
Cebu City, Philippines 6000
t. 63 32 231 2580
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Makati City, Philippines 1229
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Passion for better ways

MANAGEMENT CONTRACT

KNOW ALL MEN BY THESE PRESENTS:

THIS MANAGEMENT CONTRACT made and entered into by and between:

ABOITIZ & COMPANY, INC., a duly organized and registered corporation under and by virtue of the laws of the Philippines, with principal office at Aboitiz Complex, Banilad, Cebu City, represented in this instance by its Vice Chairman, **MR. LUIS M. ABOITIZ, JR.**, hereinafter referred to as "ACO";

-and-

COTABATO LIGHT & POWER CO., a duly organized and registered corporation under and by virtue of the laws of the Philippines, with principal office at Cebu City represented by its President and CEO, **MR. JON RAMON ABOITIZ**, hereinafter referred to as "CLPC".

WITNESSETH: That

WHEREAS, CLPC is desirous of availing of the services of ACO, and of its trained and experienced staff and business connections, and for that purpose, CLPC has proposed to and agreed with ACO to enter into a management contract under the terms and conditions hereinafter set forth, which are acceptable to both parties;

NOW, THEREFORE, for and in consideration of the premises and the stipulations hereinafter set forth, the parties hereto have mutually agreed as follows:

1. CLPC hereby engages the services of ACO, and the latter hereby agrees to act, as the sole and exclusive General Manager of CLPC.
2. As remuneration for its services under this Management Contract, CLPC shall pay ACO a management fee, computed as follows:
 - a) A management fee equivalent to two percent (2%) of the gross annual revenue of CLPC, as determined in the duly audited financial statements of CLPC, payable monthly based on monthly interim financial statements (subject to final adjustments at end of fiscal year based on CLPC's audited financial statements);
 - b) Where, under paragraph 6 of this agreement, persons are directly employed by CLPC to perform services that form part of the duties imposed upon ACO under this Management Contract, the scope of services rendered by ACO, is pro-tanto reduced. Consequently, it is hereby agreed that the management fees payable to ACO under paragraph 2(a) above shall be reduced by the amount of compensation paid to said persons, provided that ACO consented to the direct employment of such persons.
3. All expenses, including fees paid for legal and other professional services, incurred by ACO which are directly or proportionately incurred for the furtherance of CLPC interests, will be for the account of CLPC, and will be reimbursed to ACO within thirty (30) days from presentation of the statement of accounts.
4. This agreement shall in no way be construed as requiring ACO to act as General Manager exclusively for CLPC, and ACO reserves the right to act as General Manager or otherwise render administrative or advisory services to other firms or corporations who are not competitors of CLPC.
5. As General Manager of CLPC, ACO shall have the power and authority, for the entire duration of this agreement, to supervise and manage the business of CLPC. In the exercise of such power and authority, ACO shall not only be accountable to the Board of Directors of CLPC, for the results, but shall also be always subject to the direction and control of the said Board as to the means and methods employed to achieve those results.

Consistent with the foregoing, the Board of Directors of CLPC shall have, among others, the following rights:



- a) To approve or disapprove the persons designated by ACO to perform the duties imposed upon it by this agreement;
 - b) To lay down such policies and work methods as they may wish ACO to follow in the conduct of the business of CLPC;
 - c) To require ACO to render such reports at such intervals as they may feel necessary to assure themselves that ACO is conducting the business according to the policies and work methods laid down in paragraph (b).
6. Nothing in this agreement shall be understood as precluding CLPC from directly employing persons to perform services that form part of the duties imposed upon ACO under this agreement. But the right of ACO to the management fee stipulated in this contract shall not be impaired or reduced if ACO has not consented to such direct employment.
 7. ACO shall have the right to assign, transfer or convey this agreement, or any part or all of its rights and obligations hereunder with powers to delegate any of its functions to any party upon written notice to CLPC. If assigned, it is hereby understood that ACO may, at the option of CLPC, be authorized to collect the corresponding fees payable by CLPC hereunder and pay such fees to ACO's assignee under this contract.
 8. This agreement shall be effective for a period of one (1) year from date hereof and considered to be renewed on its anniversary date for another year under the same terms and conditions, unless cancelled or modified by the parties, upon written notice of at least thirty (30) days before the anniversary date.

IN WITNESS WHEREOF, the parties hereto have set their hands this Feb. 26, 1992 1992 at Cebu City, Philippines.

COTABATO LIGHT & POWER CO.
By:


JON RAMON ABOITIZ
President & CEO

ABOITIZ & COMPANY, INC.
By:


LUIS M. ABOITIZ, JR.
Vice Chairman

SIGNED IN THE PRESENCE OF:

ACKNOWLEDGMENT


BEFORE ME, personally appeared the following:

JON RAMON ABOITIZ, with Res. Cert. No. 8377391 issued on Jan. 27, 1992 at Cebu City
and
LUIS M. ABOITIZ, JR. with Res. Cert. No. 8424222 issued on Feb. 26, 1992 at Cebu City;

known to me and to me known to be the same persons who executed the foregoing document and they acknowledged to me that the same are their own true and voluntary act and deed.

WITNESS MY HAND AND NOTARIAL SEAL this 26 day of February, 1992 at Cebu City, Philippines.

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Page No. 73
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Series of 1992.


VICTOR ELINT LEWITEN, JR.
Notary Public
Until December 31, 1993
PTR No. 4128260 T 1/7/92
Cebu City