

Non-performing Loan Sale

[Date]

File No.: 中華民國九十八年度債拍甲字第八號

[Prospective Purchaser]

[Address]

Attention:

Re: Confidentiality Agreement – Sale of Non-Performing Loan

We understand that [*Prospective Purchaser*] (the "Purchaser") is interested in pursuing discussions with the Sellers named on the execution page of this agreement (the "Sellers") being the creditors of the loans with an approximate outstanding principal balance of NT\$2,588 million (as of Oct 15th, 2009) (the "Loan") and the Sellers' financial adviser, Taiwan Financial Asset Service Corporation, concerning the possible sale and acquisition of the Loan (the "Sale").

In consideration of the Sellers agreeing to supply Confidential Information (as defined below) to the Purchaser and entering into negotiations with the Purchaser relating to the Sale, the Purchaser acknowledges that the Confidential Information is confidential and is furnished to and received by the Purchaser in accordance with the provisions of this Agreement under a strict duty of confidentiality to the Sellers and for the exclusive purpose of considering and evaluating the Loan and negotiating the Sale. The Purchaser further agrees and undertakes as follows:

1. Confidential Information

- 1.1 For the purposes of this Agreement, "Confidential Information" shall mean all information of whatever nature relating to the Sellers or the Sale supplied to the Purchaser or its agents or advisers by or on behalf of the Sellers in whatever form made available to or received by the Purchaser includes: (i) any such Confidential Information obtained by the Purchaser or its agents or advisers through discussions with directors, officers, the management or employees of the Sellers, or any advisers of such persons; (ii) all agreements, documents and materials relating to the Sellers, the Loan or the Sale; and (iii) all Copies (as defined in Paragraph 4.2 below) of Confidential Information (as defined herein) together with any reports, analyses, compilations, studies, or other material or documents prepared by the Purchaser or on its behalf which contain or otherwise reflect such Confidential Information, including, for the avoidance of doubt, the existence of the Sale and of the discussions and negotiations relating thereto.
- 1.2 Confidential Information shall not include any such Confidential Information which is in or which comes into the public domain unless it is in the public domain as a result of: a breach by the Purchaser or any Authorised Person (as defined in Paragraph 3.1 below) of the obligations contained in this Agreement, in which event such Confidential Information shall form part of the Confidential Information.

2. Confidentiality Obligations

- 2.1 Access to and receipt of Confidential Information made available by the Sellers or delivered to or otherwise provided to the Purchaser shall be in accordance with instructions and requirements prescribed by the Sellers either generally or on each particular occasion and Confidential Information made available at the Sellers' premises or other location shall not be removed from the Sellers' premises or such other location as it may be made available without the Sellers' prior written consent.
- 2.2 The Purchaser agrees to keep confidential all Confidential Information and not to disclose any Confidential Information to any person save as permitted by this Agreement. The Purchaser shall use the Confidential Information solely for the purpose of considering and evaluating the Loan and negotiating the Sale and not for any other purpose. The Purchaser shall not, without the prior written consent of the Sellers, disclose Confidential Information to any person other than an Authorised Person in accordance with Paragraph 3. The Purchaser undertakes to ensure that the Confidential Information is protected against theft or unauthorised access and that no-one receives Confidential Information from the Purchaser unless authorised.
- 2.3 The Purchaser agrees and undertakes to fully comply with all relevant laws, regulations, rules and directives applicable to the Sellers in supplying or making available and the Purchaser in accessing and using the Confidential Information or otherwise relating to the Loan or the Sale including, without limitation, the confidential obligations of an asset management company set out under the Financial Supervisory Commission of the Executive Yuan regulation Jin-Guan-Yin-Yi-Tze 0938011278 (19 July 2004).
- 2.4 Without limiting the Purchaser's other or further confidentiality obligations (whether under this Confidentiality Agreement, at law or otherwise), the Purchaser further agrees and undertakes not to discuss any matters with or provide to or receive from any other known potential purchaser of the Loan any information or documents relating to the Loan or the marketing and sale of the Loan. This particular obligation shall continue until such time as the Sellers notify the Purchaser in writing that the sale and transfer of the Loan has been completed.
- 2.5 The Sellers' rights and the Purchaser's obligations under this agreement are held by and owed to each of the Sellers severally and may be enforced independently.

3. Disclosure to Authorised Persons

- 3.1 Purchaser and the Sellers agree that the following persons shall be "Authorised Persons":
- (i) such directors, officers and employees of the Purchaser and any entity controlling, controlled by or under common control with the Purchaser as are properly and legitimately involved in considering and evaluating the Loan and negotiating the Sale;
 - (ii) professional advisers and/or consultants engaged by the Purchaser or by Purchaser's owned and controlled affiliate companies to advise in connection with the consideration and evaluation of the Loan and/or negotiation of the Sale;
 - (iii) bankers engaged for the purpose of securing financing for the Sale; and

(iv) any person whom the Sellers may have agreed in writing may receive Confidential Information.

3.2 The Purchaser may disclose some or all of the Confidential Information to any Authorised Person provided that it will procure that each Authorised Person is made aware (in advance of the disclosure of any Confidential Information) of the provisions of this Agreement and that the Purchaser will ensure that each Authorised Person adheres to those provisions as if it was a party to this Agreement (and the obligations imposed on the Purchaser in this Agreement were equally binding on the Authorised Person as if any reference to the Sellers in this Agreement included that Authorised Person).

3.3 The Purchaser agrees that it shall be liable for any breach of any of the provisions of this Agreement by any Authorised Person as if it was the Purchaser which had breached the provision(s).

3.4 The Purchaser agrees and undertakes that if, at any time, the Purchaser wishes to disclose any Confidential Information to another party who will or may bid for and/or purchase the Loan and/or otherwise assist the Purchaser or participate in the Sale in any kind and form of relationship with the Purchaser, the Purchaser shall:

3.4.1 immediately notify the Sellers of its wish to disclose the Confidential Information to the other party together with details of the party's identity, the party's existing or intended relationship with the Purchaser and the party's intended role in the Sale;

3.4.2 promptly provide to the Sellers any further information reasonably requested by the Sellers in respect of the other party;

3.4.3 promptly procure that the other party executes a copy of this Agreement and provide the original to the Sellers; and

3.4.4 not disclose any Confidential Information to the other party until it receives written consent from the Sellers authorising such disclosure.

4. Copies

4.1 The Purchaser may make such Copies only as are strictly necessary for the consideration and evaluation of the Loan and negotiation of the Sale. All Copies should be clearly marked as confidential and held subject to and in accordance with the terms of this Agreement.

4.2 For the purposes of this Agreement, "Copies" shall mean copies of Confidential Information including any document, electronic file, note, extract, analysis or any other way of representing or recording and recalling Confidential Information which contains, reflects or is derived from the Confidential Information.

5. Disclosure Required by Law

- 5.1 If the Purchaser becomes aware that it may be required by law, regulation or order of a court of competent jurisdiction to disclose any of the Confidential Information, it will immediately notify the Sellers in writing of that fact, all relevant surrounding circumstances and the Confidential Information to be disclosed. If the Purchaser is not permitted so to notify the Sellers before such disclosure is required it will so notify the Sellers immediately after the disclosure has been made.
- 5.2 Prior to any such disclosure, the Purchaser will (unless not permitted) consult with the Sellers as to how to avoid or limit disclosure and will obtain any assurances which may be available as to confidentiality from the body to whom the Confidential Information is to be disclosed. Subject to the foregoing, the Purchaser may, to the minimum extent required to do so, make disclosure of the Confidential Information as required by law, regulation or order of a court of competent jurisdiction.
- 5.3 The Purchaser shall inform the Sellers immediately upon becoming aware or suspecting that the Confidential Information has been disclosed to any unauthorised party.

6. Return of Confidential Information

- 6.1 If the Sellers should at any time and in their absolute discretion determine that the Sale will not proceed or if the Sellers or any of them enter into a sale or negotiations for the sale of the Loan or any part thereof or interest therein to another party, it may then or at any time thereafter require the Purchaser to cease all evaluation and use of the Confidential Information and, in such event:
 - 6.1.1 the Purchaser will return to the Sellers, or will alternatively (if and as the Sellers may direct) destroy or permanently erase, the Confidential Information and Copies that are in its possession and will ensure that each Authorised Person will do the same;
 - 6.1.2 the Purchaser will destroy all documents prepared by or for it or in its possession which incorporate any of the Confidential Information and will ensure that each Authorised Person will do the same.
- 6.2 Notwithstanding clause 6.1, the Purchaser may for the purpose only of understanding the non-performing loan and property markets in the Republic of China retain pricing models and analyses derived from Confidential Information provided that (1) such models and analyses do not contain any Confidential Information which is personal or private in nature or which relates to a particular customer or group of customers of the Sellers and (2) such models and analyses are and continue to be held as Confidential Information in accordance with the provisions of this Agreement.
- 6.3 If the Sellers should so require, when notifying the Purchaser of its determination under clause 6.1, the Purchaser shall, when returning the Confidential Information and Copies under clause 6.1 and retaining the models and analyses under clause 6.2, provide to the Sellers a Letter of Certification duly executed by a properly authorised officer of the

Purchaser (or other person acceptable to the Sellers) confirming that the information and belief the Purchaser has complied with all of its obligations under clause 6.1 and describing the models and analyses intended to be retained under clause 6.2 above.

7. Restriction on the Purchaser

- 7.1 The Purchaser will make all requests for Confidential Information and all enquiries regarding the Sale in accordance with instructions issued from time to time by the Sellers.
- 7.2 The Purchaser hereby acknowledges and confirms that no right or licence has been granted to it in relation to the Confidential Information except as expressly set out in this Agreement.
- 7.3 The Purchaser undertakes that neither it nor any party on its behalf will contact any borrower, mortgagor, guarantor or other security provider of or relating to the Loan (or any director, supervisor, officer, manager or employee of any of them) or any tenant, occupier, holder or user of any property secured in favour of any of the Sellers to discuss any matter or to provide or receive any information relating to the Loan or the sale of the Loan without the prior written consent of the Sellers. The Purchaser may nevertheless continue to communicate with all such persons for other purposes in accordance with its ordinary course of business.

8. Basis of disclosure of Confidential Information

- 8.1 This Agreement and the supply of any Confidential Information in accordance with it to the Purchaser shall not constitute an offer or invitation for the sale or purchase of the Loan. The Purchaser acknowledges that the Sellers is under no obligation to accept any offer which may be made by the Purchaser to buy the Loan and the obligations of the parties in relation to the Sale will (if at all) be constituted solely by the duly executed sale and purchase agreement for sale of the Loan entered into between the Sellers and the Purchaser.
- 8.2 No representation or warranty, express or implied, is or will be made, and no responsibility or reliability is or will be accepted by the Sellers in relation to the accuracy or completeness of any Confidential Information made available to the Purchaser except, if the Purchaser is awarded the bid or otherwise sold the Loan, in accordance with and subject to the terms of the duly executed sale and purchase agreement for sale of the Loan entered into between the Sellers and the Purchaser.
- 8.3 The Purchaser will rely exclusively on the terms of any sale and purchase agreement which may be entered into for sale of the Loan to the Purchaser and, without prejudice to the generality of the foregoing, the Purchaser agrees that it will have no claim or cause of action for misrepresentation or otherwise in respect of or in connection with the Confidential Information provided except, if the Purchaser is awarded the bid or otherwise sold the Loan, pursuant to the terms of such duly executed sale and purchase agreement.
- 8.4 In furnishing Confidential Information, the Sellers undertake no obligation to provide the Purchaser with access to any additional Confidential Information, or to update, or to

correct any inaccuracies which may become apparent in the Confidential Information supplied.

- 8.5 The obligations of the Purchaser under this Agreement shall be continuing and shall continue in full force and effect for a period of two years from the date of this Agreement notwithstanding the termination of any discussions or negotiations between the parties regarding the Sale or the entering into or completion of the sale with the Purchaser or any other party.

9. **Acknowledgment of Sellers Rights**

The Purchaser acknowledges and agrees that the Sellers, in the exercise of its sole and absolute discretion, has the right:

- (a) To request additional or updated information at any time and to refuse to qualify Purchaser if, in the exercise of the Sellers' judgment, Purchaser does not have the requisite knowledge, experience, capability or financial and other resources to enable Purchaser to evaluate the merits and risks of the purchase of the Loan, bid for the Loan, complete the purchase of the Loan or engage in business relating to the Loan;
- (b) To withdraw, cancel or modify the terms of the Sale at any time;
- (c) To accept or reject any bid from the Purchaser or any other potential purchaser of the Loan at any time;
- (d) Without giving reasons therefor, at any time and in any respect, to terminate discussions with the Purchaser or any or all potential purchasers or to negotiate with any party with respect to a transaction involving the Loan without prior notice to the Purchaser; and
- (e) Without giving reasons therefor, at any time and in any respect, to terminate the participation in the Sale of the Purchaser and/or any other potential purchaser of the Loan.

10. **Indemnity**

The Purchaser undertakes to indemnify and hold harmless the Sellers against and to pay to the Sellers any loss or expense incurred by the Sellers or any customer of the Sellers or fine or penalty imposed on the Sellers by reason of or arising out of any breach by the Purchaser or by any Authorised Person of the representations, warranties or obligations contained herein including, without limitation, any costs (including reasonable attorney fees and disbursements), expenses or other liabilities incurred by the Sellers in connection with the enforcement of any of its rights or the obligations of the Purchaser or the obligations of any Authorised Person hereunder or pursuant hereto.

11. **Release for Purchaser Consortiums**

The obligations of the Purchaser under this Agreement in respect of any member of a Purchaser Consortium shall subject to any accrued rights be released upon due execution by such member of a duplicate of this Confidentiality Agreement whereby such member assumes responsibility for covenants applicable to it.

12. Governing Law and Jurisdiction

The validity, construction and performance of this Agreement shall be governed by the laws of the Republic of China. Each Sellers and the Purchaser hereby submits to the jurisdiction of the Taipei District Court for the purposes of any proceedings arising in connection herewith.

13. Entire Agreement

This Agreement contains all the terms agreed by the parties regarding the subject matter of this Agreement and supersedes any prior agreements, understandings or arrangements between them, whether oral or in writing, and no representation undertaking or promise shall be taken to have been given or be implied from anything said or written in negotiations between the parties prior to this Agreement except as set out in this Agreement.

14. Variation and Waiver

No variation or amendment to this Agreement shall be effective unless in writing signed by authorised representatives of the parties. The failure of either party to enforce or to exercise, at any time or for any period of time, any term of or any right arising pursuant to this Agreement does not constitute, and shall not be construed as, a waiver of such term or right and shall in no way affect that party's right later to enforce or exercise it.

15. Severability

The invalidity or unenforceability of any term of or any right arising pursuant to this Agreement shall not in any way affect the remaining terms or rights.

Yours faithfully

TAIWAN FINANCIAL ASSET SERVICE CORPORATION
as financial adviser for the Sellers :

Taiwan Asset Management Corporation
Revival Asset Management Corporation

Acknowledged and Agreed for and }
on behalf of [Prospective Purchaser] }

By: _____

Name:

Title:

Date: