

CHECK WAREHOUSING AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

This Agreement entered into by and between:

BANK OF CHINA (HONG KONG) LIMITED - MANILA BRANCH, a corporation duly organized and existing under the laws of the People's Republic of China, and duly licensed to established a branch in the Philippines, with its registered office address at 28/F The Finance Centre, 26th Street cor. 9th Avenue, Bonifacio Global City, Taguig City, and hereinafter referred to as "the BANK".

and

_____, a corporation duly organized and existing under Philippine Laws, with offices at _____, and hereinafter referred to as the "**Client**", represented herein by _____, in their capacity as _____ respectively of the Client.

WHEREAS, to formalize this arrangement, the Client and the Bank have agreed to enter into this Agreement;

NOW, THEREFORE, for and in consideration of the foregoing premises, the Client and the Bank agree as follows:

1. OPENING OF ACCOUNT

1.1. Current/Savings Account

1.1.1. The CLIENT shall open and/or maintain a Current Account and/or Savings Account (CA/SA) which shall serve as the depository account where the checks shall be deposited upon their maturity date. However, the CLIENT may opt to open more than one depository account provided that the CLIENT will indicate in appropriate written communication to which depository account the Checks will be deposited.

2. CLEARING OF CHECKS

2.1 The parties agree that the clearing of the checks shall be subject to the rules and regulations of the Philippine Clearing House Corporation.

3. FORMS OF CHECKS

3.1. Only local or regional checks without technical defects may be accepted and covered by this Agreement. Out-of-town, checks with erasures, alterations, deficiencies, or missing details, corporate checks with amount in checkwriter and stale-dated checks shall not be accepted even with countersignature. All checks should be payable to the order of the CLIENT. The CLIENT shall ensure that the checks are duly endorsed. However, the BANK is nonetheless bound to accept the checks even if they are not endorsed.

4. RECEIVING THE CHECKS

4.1. Each time the CLIENT submits checks to the BANK, the checks should be sorted by due date. The checks shall be submitted together with a soft copy and a printed Check Warehousing Template of the check details.

4.2. Upon receipt of the checks, the BANK shall provide the CLIENT, a duplicate of the verified Check Warehousing Template duly acknowledged by the BANK's representative.

4.3. If and upon verification of the Check Warehousing Template, there is a discrepancy, the CLIENT shall be informed immediately by the BANK. Both parties shall exert effort to correct the discrepancy prior to acknowledgement of the Check Warehousing Template.

4.4. In case the CLIENT has multiple accounts, the CLIENT shall give the BANK an authority to deposit to specific designated account/s. Account number should be indicated at the back of the post-dated checks.

4.5. Checks will be safe-kept in a vault but the BANK has the option to move the checks to another location if deemed necessary or appropriate under business continuity situations. In the absence of gross negligence or willful misconduct on the part of the BANK officers, employees, or representative, or the occurrence of any fortuitous event or act of God, the CLIENT shall hold the BANK free from any liability.

5. CREDITING THE CHECKS

5.1. Upon due date of the checks, the Bank shall deposit the checks to the account number indicated by the Client. Duplicate of the deposit slips will be provided upon request of the Client.

5.2. Monthly Reports will be provided indicating the outstanding checks still held in custody by the Bank.

5.3. In the absence of gross negligence or willful misconduct on the part of the BANK officers, employees, or representative, or the occurrence of any fortuitous event or act of God, the CLIENT shall hold the BANK free from any liability for the failure to deposit the checks on their maturity dates.

6. HOLD/PULLOUT OF CHECKS

6.1. For these cases, the CLIENT shall accomplish an authorization letter for Hold/Pull-out signed by its authorized signatories and indicating therein the checks requested for pull-out at least (1) banking day from date of maturity. This may be emailed in advance, but the original must be provided during the day the check will be picked up by the Bank.

The Bank will check the signature on the request to check if it matches the signatures on record.

7. REPORTS

7.1 The BANK shall provide the CLIENT with a list of Outstanding Checks (or Checks in Custody). This will be sent every 5th of the following month.

8. SERVICE FEE/AVERAGE DAILY BALANCE (ADB) REQUIREMENT/PENALTY FEE

8.1. The CLIENT shall also be required to maintain a minimum average daily balance (ADB) of **PESOS: FIVE HUNDRED THOUSAND ONLY (PhP500,000.00)**, subject to monthly review.

8.2. In the event that the CLIENT fails to meet the required minimum ADB at the end of the reference month, the CLIENT shall be required to pay for the total service fee amounting to PhP5,000.00 incurred for the reference month which shall be debited from the CLIENT's account on or before the last day of the reference month.

If the CLIENT's account has insufficient funds to settle the total service fee due for the reference month, the CLIENT shall be given ten (10) banking days from the last day of the reference month to fund the account. Failure to fund the account shall be considered as an event of default and shall constitute a ground for automatic termination of this Agreement without need of prior notice or demand.

8.3. Notwithstanding CLIENT's payment of the service fee for any reference period, the CLIENT's failure to maintain the required ADB for two (2) consecutive months shall likewise be considered as an event of default and shall constitute a ground for automatic termination of this Agreement without need of prior notice or demand.

8.4. The Service is strictly limited to Check Warehousing for credit to CLIENT's account.

9. FACSIMILE/EMAIL INSTRUCTION

9.1. The CLIENT and the BANK acknowledge that the CLIENT may issue facsimile (fax) or send email instructions pertaining to the service and/or CLIENT's account. If the BANK, in its sole and absolute discretion opts to honor and implement any Facsimile/Email Instruction, the same shall be governed by the terms set forth hereunder.

9.2. For purposes of this arrangement, unsigned facsimile instructions sent by the CLIENT shall not be honored by the BANK. The CLIENT shall submit to the BANK fully signed originals within 24 hours from transmission of Facsimile/Email Instructions. Failure to submit, duly signed originals of any of the CLIENT's faxed instructions to the satisfaction of the BANK, shall entitle the BANK to refuse the CLIENT's subsequent faxed instructions.

9.3. The Facsimile/Email Instruction shall contain a plain, concise and direct statement of the CLIENT's instruction. The CLIENT acknowledges that the BANK reserves the right, at any time and at its absolute discretion, to refuse to execute and implement any facsimile instruction, notwithstanding any acceptance or acknowledgment of said order by any employee of the BANK.

9.4. A facsimile Instruction which bears the signature/s of the authorized signatory/ies of the CLIENT shall be conclusively presumed as the instruction of the CLIENT. In case the facsimile instruction consists of more than one page, the BANK may refuse to comply with the instructions stated therein unless every page is signed by the authorized signatory/ies. Upon receipt of such instruction, the BANK is authorized to execute and implement the instructions set forth therein.

9.5. The BANK shall rely and act on facsimile/email transactions that originate only from any of the following facsimile numbers/email addresses: _____.

The CLIENT shall inform the BANK in writing of any changes in the facsimile numbers to be used in this arrangement.

9.6. The BANK shall request telephone confirmation of the facsimile /email instruction by any of the following authorized signatory/ies of the Client, prior to execution of any instruction.

Name	Designation	Telephone Number
_____	_____	_____
_____	_____	_____
_____	_____	_____

9.7. The appointment of a new signatory or revocation of the authority of a signatory shall not be binding against the BANK until written notice is duly sent by the CLIENT and actually received by the BANK. In case the BANK performs the instructions stated in the facsimile/email instruction prior to receipt of a written notice from the CLIENT that the authority of the signatory to such facsimile/email instruction has been revoked, the same facsimile/email instruction shall be binding against the CLIENT and the BANK shall not in any manner be held liable for the execution of said instructions.

- 9.8. Considering that this arrangement is an accommodation to the CLIENT, CLIENT shall bear all risks, losses and liabilities arising from the transactions covered by a facsimile/email instruction, including but not limited to errors in transmission, delay in the implementation of a facsimile/email instruction, forgery, and mistake in the identity of the CLIENT or its authorized signatory/ies.
- 9.9. The CLIENT shall hold the BANK free and harmless from any suit, claim or liability for any loss or damage, of whatever kind and nature, which the CLIENT or any other person or entity may incur or suffer arising from the execution of any instruction in the facsimile/email instruction. The Client undertakes to immediately reimburse and indemnify the BANK in case the BANK shall be compelled to pay for such loss or damage. Likewise, the CLIENT agrees to indemnify the BANK for any loss or damage which the BANK may incur as a result of the execution and implementation of a facsimile/email instruction. The BANK is hereby authorized to debit any account of the CLIENT, without need of any prior notice or demand, and to hold, dispose and apply any property of the Client which may be in the BANK's possession as reimbursement or indemnification.

10. DISCLAIMER/CONFIDENTIALITY

The CLIENT and the BANK agree that all information provided pursuant to this Agreement by each party to the other party is confidential and proprietary to the party providing the information and no party shall use any information provided by the other party for any purpose other than as permitted or required for performance under this Agreement. Each party agrees not to disclose or provide any information provided by the other party to any third party with the exception of (i) any affiliate or subsidiary, which is bound to retain the confidentiality of the information; (ii) employees who have a need to know in the course of performing services pursuant to this Agreement; provided that such employees are bound to retain the confidentiality of the information; (iii) the parties' disclosure of data to their respective auditors without need of express written consent of the other party); and each party agrees to take all reasonable measures including, without limitation, measures taken by each party to safeguard its own confidential information to prevent any such disclosure by employees, agents or contractors.

11. DURATION

This Agreement shall take effect upon its execution by the parties. The BANK shall be given five (5) working days from time Agreement is completely signed by both parties to implement the arrangement. This Agreement shall govern the transactions between the parties until canceled or terminated.

12. OTHER PROVISIONS

- 12.1. The Agreement shall be subject to the rules and regulations and documentary requirements of the BANK, the Bangko Sentral ng Pilipinas, and other governmental or regulatory agencies.
- 12.2. On a monthly basis, the BANK shall review the Client's compliance with the ADB requirement, the Service Fee and the other terms and conditions herein.
- 12.3. This Agreement shall take effect upon signing of both parties on the date specified herein, and shall be automatically renewed under such terms and conditions unless otherwise amended. Any subsequent amendment or modification thereto will only pertain to the Annex "1" without the need of execution of a Check Warehousing Agreement. All other terms and conditions of this Agreement, unless amended or modified in writing by another agreement superseding the same, shall remain valid, binding and enforceable against the parties thereto.
- 12.4. A thirty (30) day prior written notice will be served by either party to the other if there is an intention to pre-terminate the agreement. However, the BANK may terminate this Agreement anytime, without prior notice to the Client in case of the latter's mishandling of its account.
- 12.5. Neither party may assign this Agreement to any third party, without the prior written consent of the other party.
- 12.6. If any provision of this Agreement is declared by a court of competent jurisdiction to be invalid, illegal or unenforceable, in any respect, such invalidity, illegality, or unenforceability shall not affect the other provisions of this Agreement which shall remain in full force and effect
- 12.7. No failure on the part of either party to insist upon strict adherence to any term or provision of this Agreement on any occasion shall be considered a waiver of that term or provision and shall not deprive either party of the right to subsequently insist upon strict adherence to that term or provision or any other term or provision of this Agreement. No waiver hereunder shall be valid unless in writing and signed by both parties.
- 12.8. This Agreement shall be governed and construed in accordance with the laws of the Republic of the Philippines. Any legal action or proceeding arising out of, or connected with, this Agreement shall be brought exclusively in the proper courts of Taguig City, each of the parties expressly waiving any other venue.
- 12.9. It is agreed that this Agreement may be signed and notarized in counterparts.
- 12.10. Any notice, demand, letter, or communication under this Agreement may be sent by telex, electronic mail (e-mail), post, reputable courier, confirmed facsimile, or hand. Any notice, demand, letter or communication shall be sent to the following addresses and shall be effective only when received by the following designated addressee/s:

To: Client

Attention:

Tel. No.: (632) _____

Fax No.: (632) _____

To : Bank of China (Hong Kong) Limited – Manila Branch
28/F The Finance Centre, 26th Street corner 9th Avenue,
Bonifacio Global City, Taguig City

Attention:

Tel. No.: (632) 8297-7888

Fax No.: (632) 8885-0548

IN WITNESS WHEREOF, the parties have hereunto affixed their signatures through their duly authorized representative(s) on this _____ at _____.

BANK OF CHINA (HONG KONG) LIMITED - MANILA BRANCH

COMPANY

By: _____

By: _____

Signed in the presence of :

(Signature Over Printed Name/Position)

(Signature Over Printed Name/Position)