

ANNEX B

Date : _____

The Branch Manager
[Name of Bank]

_____ Branch

re: Cash Settlement Account: Waiver and Authorization for Account No: _____

Gentlemen:

In support of our application for the opening of a special purpose bank account ("Cash Settlement Account"), which would be for the limited use of settling our securities trade transactions coursed through the facilities of the Securities Clearing Corporation of the Philippines (SCCP), we confirm as follows:

1. The transactions of the Cash Settlement Account shall be limited to debiting or crediting cash amounts, either on gross or net basis, resulting from the settlement of the cash component of SCCP Eligible Trades, as the terms are defined under the relevant clearing and settlement rules of the SCCP as well as the Settlement Bank Agreement between you and SCCP;
2. The cash or funds in the Cash Settlement Account shall at all times be free of any liens or encumbrances, other than as may be imposed under court orders or legal processes as may be issued by a court of competent jurisdiction or lawful authority:
 - (a) In the event the funds in the Cash Settlement Account is encumbered under any circumstances, the Bank is hereby authorized and requested to disclose the fact of encumbrance, and such other information relevant thereto, to SCCP immediately and without delay.
 - (b) Withdrawals from the Cash Settlement Account prior to the actual crediting of Due Broker Entitlements shall be through electronic instructions emanating from the Central Clearing and Central Settlement system of SCCP. Withdrawals from the cash settlement account after the actual credit of Due Broker amount shall be done thru the branches subject to item 4 hereof.
3. You are also authorized and instructed, without need of further documentation, to automatically debit and/or transfer funds from or out of our other bank accounts maintained with you, specifically:

Account Number
1.
2.

and credit the proceeds thereof to the Cash Settlement Account. The aggregate amount to be automatically transferred out of the above-identified accounts and credited to the Cash Settlement Account shall not be more than such amount equivalent to fund our Due Clearing Obligations or such amount as may be necessary that would settle our SCCP Eligible Trades. Our Due Clearing Obligations may be determined from the electronic instructions emanating through the Central Clearing and Central Settlement system of SCCP.

In case of late payment, you are hereby authorized without need of notice to debit from the above accounts all sums advanced by SCCP, as Central Counterparty, in order to settle our Due

Clearing obligations.

4. You are also authorized to debit funds from the Cash Settlement Account and credit the amount to our CASA account no. _____ with your bank in an amount as to be advised to you in writing; Provided, you shall have the right to refuse any instructions from us to debit funds from the Cash Settlement Account if the same is received by you prior to the actual crediting of Due Broker entitlements/sweep-out.
5. We hereby waive in favor of SCCP our confidentiality rights or privileges, as may be provided for by laws, rules and regulations, now and in the future, as regards transaction information affecting the Cash Settlement Account. This waiver is coupled with an interest, and shall not be withdrawn without the express written consent of SCCP.

SCCP is hereby authorized to request and receive any and all information affecting the Cash Settlement Account, and we hereby freely, voluntarily and knowingly waive in favor of SCCP, any and all of our rights under the bank secrecy laws, whether now existing or subsequently enacted or subsequently amended, including but not limited to, the provisions of, and amendments to, Republic Act No. 1405 (the "Bank Secrecy Law"), Republic Act No. 337 (the "General Banking Act"), Republic Act No. 8791 ("The General Banking Law of 2000"), and other privileges as may be granted to us under law or policies of your Bank..

The terms and conditions, confirmations, instructions and/or authorization declared and stipulated herein shall remain irrevocable, and considered coupled with an interest in favor of SCCP, resulting from the privileges granted by SCCP to us as Clearing Member. Any changes to the above terms and conditions, confirmations, instructions and/or authorization must be cleared in writing by SCCP before taking effect, and conditioned to the complete liquidation of the Cash Settlement Account.

This continuing authorization shall remain in full force and effect until after thirty (30) days from receipt by your authorized officers of a written certification from our Corporate Secretary (or, in the event we are not a corporation, a similarly responsible officer) that the same has been revoked with the conformity or separate clearance of SCCP.

We hereby acknowledge that we have received and have read a copy of the Settlement Bank Agreement between you and SCCP and we completely conform to the terms thereof insofar as such terms may affect our Cash Settlement Account.

Finally we agree to indemnify and hold your Bank, its directors, officers, stockholders, agents and employees, free and harmless from any and all losses, claims, liabilities and expenses or action arising but of or by virtue of this waiver and authorization.

I hereby confirm and state under oath that I am authorized to issue this waiver, authorization and instructions in favor of SCCP and the Bank, with full legal effect against the owner of the Cash Settlement Account and the other bank accounts mentioned herein.

Very truly yours,
(Clearing Member)

By:
Position: President or CEO
Date:

Attachment: Board Resolution or Secretary's Certificate on the authority of the above signatory to enter into this Agreement for and on behalf of the Clearing Member.

ANNEX B

WAIVER AND AUTHORIZATION

Date : _____

The Branch Manager
[Name of Bank]

_____ Branch

Cash Collateral Account: Waiver and Authorization
for Account No: _____

Gentlemen:

In support of our application for the opening of a special purpose bank account ("Cash Collateral Account"), which would be for the limited use of addressing any Market or Price Risk that the Securities Clearing Corporation of the Philippines (SCCP) may suffer whenever SCCP settles the failed trades of the Clearing Member owning the Cash Collateral Account., we confirm as follows:

1. The transactions of the Cash Collateral Account shall be limited to debiting or crediting cash amounts, for SCCP's collateralization purposes, as the terms are defined under the relevant rules of the SCCP as well as the Collateral Account Agreement between you and SCCP;
2. The minimum balance requirement of the Cash Collateral Account, as determined by SCCP, shall at all times be free of any liens or encumbrances:
 - (a) In the event the funds in the Cash Collateral Account is encumbered under any circumstances, the Bank is hereby authorized and requested to disclose the fact of encumbrance, and such other information relevant thereto, to SCCP immediately and without delay.
 - (b) Any transactions of the Cash Collateral Account, other than deposits thereto, shall be through electronic instructions emanating from the Central Clearing and Central Settlement system of SCCP, unless otherwise allowed by SCCP.
3. You are also authorized and instructed, without need of further documentation, to automatically debit and/or transfer funds from or out of our other bank accounts maintained with you, specifically:

Account Number
1.
2.

and credit the proceeds thereof to the Cash Collateral Account. The aggregate amount to be automatically transferred out of the above-identified accounts and credited to the Cash Collateral Account shall be such amount equivalent to the minimum balance requirement of the Cash Collateral Account, as shall be made known to you by SCCP. Our Money Obligations may be determined from the electronic instructions emanating through the Central Clearing and Central Settlement system of SCCP.

4. We hereby waive in favor of SCCP our confidentiality rights or privileges, under laws or policies of your bank, now and in the future, as regards transaction information affecting the Cash Collateral Account. This waiver is coupled with an interest, and shall not be withdrawn without the express written consent of SCCP.

SCCP is hereby authorized to request and receive any and all information affecting the Cash Collateral Account, and we hereby freely, voluntarily and knowingly waive in favor of SCCP, any and all of our rights under the bank secrecy laws, whether now existing or subsequently enacted or subsequently amended, including but not limited to, the provisions of, and amendments to, Republic Act No. 1405 (the "Bank Secrecy Law"), Republic Act No. 337 (the "General Banking Act"), Republic Act No. 8791 ("The General Banking Law of 2000"), and other privileges as may be granted to us under law or policies of your Bank..

The terms and conditions, confirmations, instructions and/or authorization declared and stipulated herein shall remain irrevocable, and considered coupled with an interest in favor of SCCP, resulting from the privileges granted by SCCP to us as Clearing Member. Any changes to the above terms and conditions, confirmations, instructions and/or authorization must be cleared in writing by SCCP before taking effect, and conditioned to the complete liquidation of the Cash Collateral Account.

This continuing authorization shall remain in full force and effect until after thirty (30) days from receipt by your authorized officers of a written certification from our Corporate Secretary (or, in the event we are not a corporation, a similarly responsible officer) that the same has been revoked with the conformity or separate clearance of SCCP.

We hereby acknowledge that we have received and read a copy of the Collateral Account Agreement between you SCCP and we hereby completely conform to the terms thereof so far as it may have an effect on our Cash Collateral Account.

Finally we agree to indemnify and hold your Bank, its directors, officers, stockholders, agents and employees, free and harmless from any and all losses, claims, liabilities and expenses or action arising but of or by virtue of this waiver and authorization.

I hereby confirm and state under oath that I am authorized to issue this waiver, authorization and instructions in favor of SCCP and the Bank, with full legal effect against the owner of the Cash Collateral Account and the other bank accounts mentioned herein.

Very truly yours,
(Clearing Member)

By:
Position: President or CEO
Date:

Attachment: Board Resolution or Secretary's Certificate on the authority of the above signatory