

## Bills Negotiation Agreement

RIZAL COMMERCIAL BANGKING CORPORATION  
G/F Yuchengco Tower, RCBC Plaza  
6819 Ayala Ave. cor Sen Gil Puyat Ave.  
Makati City

Gentlemen:

For and in consideration of the Domestic/Foreign Bills Negotiation facility that you have granted or may hereafter grant in our favor, to enable us to have good funds prior to the clearing of the bills(s) of exchange and/or check/s that we know or hereafter negotiable to you, hereinafter (collectively) referred to as the "BILL(S)", I/we hereby confirm, undertake, warrant and agree as follows:

1. DOMESTIC BILLS

The BILL/S is/are hereby shall be negotiated to you at a discount for a term of 2 days for local clearing checks, and 30 days for regional integrated clearing checks, 5 days for regional clearing checks, and 30 days for out-of-own checks. The discount rate shall be that prevailing in your bank for domestic bills negotiation on the date of the transaction.

FOREGIN BILLS

The BILL/S is/are hereby shall be negotiated to you for and in consideration of the amount of Peso equivalent to the dace value of the BILL/S, computed at your buying rate of the foreign currency in which the BILL/S is/are denominated prevailing on the date of the transaction.

For the BILL/S is/are hereby or hereafter to be deposited in my/our foreign currency deposit account, upon withdrawal of any amount thereof before it/they is/are cleared,

It/they is/are shall be automatically considered negotiated to you at a discount for a term count from the date of withdrawal until the 15<sup>th</sup> banking day from date of credit advice received from foreign correspondent bank. The discount rate shall be that prevailing in your bank for foreign bills negotiation on the date of withdrawal.

2. I/We am/are aware of my/our warranties and liabilities to you as endorser/s of the BILL/S.
3. I/We hereby warrant that I/We an/are of legal age, with full capacity to contract, if(an) individual/s, or duly authorized and empowered to contract, if a corporation, partnership of other entity.
4. Presentment for payment, presentment for acceptance, notice of dishonor protest and all other rights under applicable laws and regulation and hereby waived.
5. It is understood that in case the BILL/S is/are dishonored or remains/unpaid as of the end of the relevant period mentioned in No. 1 above for Domestic Bills or by the 15<sup>th</sup> banking day from date of credit advice received from foreign correspondent bank (for foreign bills), for any reason not attributable to your negligence or fault, including but not limited to loss of the BILL/S or stop payment order/s thereon. I/We shall pay you immediately upon demand/authorize you to debit my/our account maintained with your bank, the following:
  - a. for Domestic Bills – the face amount/s of the BILL/S with interest at the Bank's current commercial lending rate to be computed fro the end of the relevant period mentioned in No. 1 above.
  - b. for Foreign Bills - the face amount/s of the BILL/S or its equivalent in Philippine Peso (P) converted it the bank's peso selling rate at the time of the demand/return or at the time of negotiation whichever is higher with interest at the bank's current commercial lending rate computed from the 15<sup>th</sup> banking day from date of credit advice received from foreign correspondent bank until all amounts are fully paid, plus cable and other incidental costs or expenses. A penalty at thirty six percent (36%) per annum shall be charged on all amounts due and unpaid

6. In case the BILL/S(or any of them) is/are returned to me/us after it/they is/are paid due to forgery, alteration or any other defect thereof, I/We shall immediately reimburse you upon demand/authorize you to debit my/our account for the following:
  - a. for Domestic Bills- the face amount/s of the BILL/S with interest at the bank's current commercial lending rate.
  - b. for Foreign Bills- the face amount/s of the BILL/S or its equivalent in Philippine Peso (P) converted at the bank's peso selling rate at the time of return or at the time of negotiation whichever is higher with interest at the bank's current commercial lending rate computed from the date said amounts are changed to you or the date your account is debited for the amount thereof until all amounts are fully paid. I/We shall also pay, upon demand, your cable and other related costs and expenses. A penalty at thirty six percent (36.0%) per annum shall be charged on all amounts due and unpaid.
7. In case of non-payment upon demand of my/our obligations hereunder or any other transaction Q/we have with you or hereafter or in the event of my/our death (for individuals) or cessation of business operations (for corporations or partnership), you are hereby authorized to:
  - a. apply to the payment of said obligations all my/our moneys with you on deposit or otherwise; or
  - b. in case of death or cessation of business operations occurs before the lapse of the relevant periods mentioned in No. 1 above, to immediately charge the amount/s of the BILL/S, plus cable and other related costs or expenses, against said moneys, which charge shall be released upon payment by the drawee bank/s of said BILL/S;
  - c. to sell, by public or private sale, at such price and terms deemed best by you all my/our securities and things of value which may be in your hand on deposit or otherwise, and apply the net proceeds from said sale (after deducting amounts for taxes, fees and other related expenses) to the payment of said obligations, or to charge against the net proceeds the amount/s of the said BILL/S, plus cable and other related costs or expenses, as provided in No.7b above.

Should there be any deficiency after the application of payment provided herein, said deficiency shall immediately be paid upon demand.
8. All rights, remedies and powers granted to you hereunder or under the law, shall be cumulative and may be exercised singly or concurrently, on any one or more occasions, and shall include among others, the right to a court injunction to restrain a breach or threatened breach by me/us under the letter agreement.
9. No delay or omission on your part in exercising any right hereunder or under the law shall operate as a waiver of such right or of any other rights.
10. You shall not be held liable for losses in transmitting the BILL/S to the drawee bank directly or through your branch or correspondent bank.
11. This agreement shall be governed by Philippine laws.
12. All actions arising from the transaction shall be brought in the proper courts of Metro Manila or in the place of your payment of the value of the BILL/S, at your option. I/We hereby submit myself/ourselves to the jurisdiction of the proper courts of Metro Manila or the place of your payment of the value of the BILL/S, as the case may be.
13. In case it shall be necessary to utilize the service of a lawyer to commence legal proceedings in respect of my/our obligations, I/we shall pay the Bank the sum equivalent to 20% of the amount due as Attorney's fee but not less than Five Thousand Pesos (P5, 000.00). I/we shall also pay the Bank all reasonable cost and expenses for collection, whether or not the services of a lawyer are utilized or court action is instituted.

- 14. We agree that should any of the stipulations herein be held invalid, the legality and enforceability of the remaining stipulations shall not in any way be affected or impaired.
- 15. It is understood that all collateral contracts and securities in my/our favor relating to the BILL/S are transferred to you upon my/our negotiation of the BILL/S in your favor.

Very truly yours,

FOR CORPORATIONS: \_\_\_\_\_

Signed in the presence of:

\_\_\_\_\_

BY: \_\_\_\_\_

FOR INDIVIDUALS: \_\_\_\_\_

\_\_\_\_\_

BY: \_\_\_\_\_

