

CHECKING ACCOUNT TERMS AND CONDITIONS

I. INTRODUCTION

The term "Bank", "we" and/or "our" shall refer to Cathay United Bank

The terms "Account" and/or "Accounts" shall refer to each account or such account(s), product(s), service(s) or facility(ies) of the Bank which you opened and/or availed pursuant to these Terms and Conditions.

II. TERMS AND CONDITIONS

1. **Opening of account.** An account maybe opened subject to the presentation of applicant's identity papers and the submission of the documents required by the individual, partnership associations or entities. Accounts may be opened with the minimum initial deposit of PHP500,000.

2. **Checkbooks.** Checkbooks are furnished by the bank as requested. All blank spaces on checks drawn must be properly completed. The bank may dishonor checks if the signatures are not in accordance with specimens registered with the bank.

3. **Acceptance of Deposits** - The Bank may accept deposits in cash or check. In the case of check deposits, the Bank acts only as the collecting agent in receiving the checks and other items/documents for collection. The client further agrees to assume full responsibility for the correctness, authenticity and validity of all endorsements appearing on the checks or other items deposited to the Bank. Drawings may not be made against such check deposits, until actual payment has been received by the Bank, or full proceeds has been collected from correspondent banks, in accordance with: (i) existing BSP/Philippine Clearing House Corporation (PCHC) rules and regulations. However, the Bank may still charge back any spurious, defective, erroneous or lost item credited to the Account regardless of the time that has elapsed, whether or not the item itself can be returned.

For checks deposited with CUB for clearing purposes, the client hereby authorizes CUB to process its checks for clearing under PCHC's Check Imaging Clearing System (CICS).

No alterations, erasures or with deficiency shall be accepted for any check received by CUB. If such check will be cleared under the CICS, the client understands that any alterations on the check will make it unacceptable for clearing purposes. The client further understands that CUB's acceptance of check deposits is still subject to passing all validation procedures under the CICS. Checks that do not pass said validation procedures shall be returned to the client.

In case of credits/payments to your Account, you represent that you are entitled to receive such credits/payments from the payor. In case of debits/payments from your Account, you represent that you have authorized such debits/payments to the payee. The Bank is hereby authorized to effect any adjustments on what has been credited to/debited from the Accounts to, among others, correct any error or mistake committed, without need for any further instrument, deed, consent or authorization. Should the Account balance be insufficient to allow debit of such amount in order to correct said error or mistake, you hereby authorize the Bank to debit the said amount plus interest and charges, if any, from the time the amount becomes due to the Bank, from any other Account in your name whether singly or jointly or whether maintained in the Bank.

4. **Account Withdrawals** – Withdrawals from Checking Account made thru checks should be duly executed by the signatory/ies. Only checks containing signatures of the declared signatory/ies from the presented documents upon opening account shall be honored.

5. **Joint Accounts /Corporate account with 2 or more signatories** – You agree that for Joint "AND" Accounts, the signatures of all Accountholders are required for all transactions relating to the Accounts.

For Joint "AND" and Joint "OR" Accounts, you agree to be governed by the following terms and conditions:

- (a) Each person who is a signatory for a Joint Account shall be deemed an Accountholder of such joint Account.
- (b) Any balance credited to the Joint Account(s), presently or in the future, is and will be owned by the signatories as Joint Accountholders.
- (c) In case where:

Notice to any one of you shall be deemed sufficient notice to all of you.

All instructions, notices or communications, directions and transactions, including any assignment or encumbrance to be made by any one of you through any of the Bank's products, services and facilities are deemed done with the consent of your joint accountholders.

6. **Dishonor and Return of Checks** - Return of checks drawn against insufficient funds (DAIF) or drawn against uncollected deposits (DAUD), or with technical defects shall be governed by the rules and regulations of the PCHC and the BSP and/or the clearing arrangements entered into by the Bank for the clearing of foreign currency denominated checks. The Bank

reserves the right to dishonor and return checks, at its discretion, without prior notification at any time and you agree that the Bank shall incur no liabilities arising from said dishonor and return. Fees for the return and/or dishonor of checks shall be for your account and shall be debited automatically from your Account without prior notice.

CUB is under no obligation to notify the client, before returning to the collecting or negotiating bank (thru PCHC/BSP Clearing House), checks drawn on it and which cannot be accepted because of insufficiency of funds, rejection by the CICS or technical defects, e.g., postdated, amount in words and figures differ, etc. or any other justifiable reason. Neither CUB has any obligation to inform the client about the return or dishonor by the payor institution of any check deposited or negotiated by the client with CUB. CUB shall not be held liable for not informing the client of any check returned by or returned to CUB for whatever reason.

7. **Post-dated Checks.** The client agrees that any checks that are dated beyond the date of its deposit with or presentation to CUB ("Post-dated Check") shall not be accepted, whether for clearing or other purposes. The client therefore agrees to refrain from issuing Post-dated Checks or from depositing to or negotiating through his Account/s such check/s.
8. **Second-endorsed Checks.** The client agrees that any checks deposited with or presented to CUB by a party other than its issuer or its payee ("Second-endorsed Check") may not be accepted by CUB for deposit. In exceptional cases where CUB accepts a Second-endorsed Check from the client, the client assumes full responsibility for the correctness, genuineness and validity of endorsement appearing on the Second-endorsed Check. The client warrants that he has the right and authority to endorse any Second-endorsed Check deposited in his account, whether or not the check bears his endorsement.
9. **Stale Checks.** Any check that is deposited with or presented to CUB for payment six (6) months from its date ("Stale check") shall not be accepted.
10. **Stop Payment Order (SPO).** It is a service given to client to put on hold an issued check by the accountholder. A clear written request from account holder must be received by the bank instructing to effect a hold on a check that a client has issued. An SPO is valid only after six (6) months from date of issuance. Payment of fees for each SPO received is by debit of account.
Stop Payment instructions received will be dated and authenticated prior to processing. A request can only take effect if only checks has not been negotiated otherwise tagging request is disregarded. Upon receipt of SPO request, the bank can assume that requested check has not yet been negotiated, the bank cannot be held liable if request is not processed because of technicalities. To cancel a stop payment order, accountholder must write an instruction to terminate hold instruction of a check. This instruction will also be authenticated before process.
11. **Checkbooks: Use, Reorder.** You acknowledge and agree that:
 - (a) You can request for checkbook reorder in the branch where your Account is maintained. The checkbook you ordered will be for pick-up at your maintaining branch.
 - (b) Your Account will be debited for the cost of the checkbook(s) without need for further demand, notice or consent. You agree to submit a letter of authorization if such checkbook(s) will be picked-up by a representative. In no case shall the Bank be held liable for the release of the checkbook(s) to your authorized representative or for the non-transmittal of a confirmation letter, should the Bank opt to send one but without any obligation to do so and you agree to hold the Bank free and harmless therefrom.
12. **Closure of Accounts** - The Bank retains the right to close, at its sole discretion, any or all your Accounts for any reason whatsoever at any time and without obligation to disclose the reasons for such closure.
The Bank is authorized to close Accounts even without prior notice in case said Accounts are:
 - (a) mishandled by the issuance of unfunded or insufficiently funded check(s); or
 - (b) involved in or used or suspected to be used for any fraudulent, criminal or unlawful activities; or
 - (c) there was/were misrepresentation(s) in the opening of the said Accounts and to report such closure and the reason(s) therefore to BAP, BSP, or to any central monitoring entity or body established by the BAP or BSP to keep record of and report mishandled deposit account.

You agree that in connection with the closing of a current Account, you shall surrender all unused checks, whenever required by the Bank.