

# **TERMS AND CONDITIONS OF DISTRIBUTION GROUP**

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This Agreement shall govern the buying and/or selling of Securities (as defined below) of Union Bank of the Philippines (UnionBank) through its Distribution Group for the account of and on behalf of the Client and other related services which it may provide to the Client from time to time. By signing this Agreement, the undersigned Client understands and agrees to be bound by the following terms and conditions, which must be read in conjunction with the terms and conditions for deposit accounts and other relevant products and services of UnionBank.

## **1. Definition of Terms:**

<b>Agreement</b>	- means this agreement between the Client and UnionBank and all other documents related thereto or executed pursuant to this agreement and the opening of the Client's account, as may be amended from time to time.
<b>Authorized Person(s)</b>	- persons who have been designated by or duly authorized by the Client in accordance with necessary corporate or other action to act on behalf of the Client in connection with the Agreement. Such person(s) shall continue to be Authorized Person(s) until such time as UnionBank has received from the Client appropriate documents revoking the authority of such person(s).
<b>BSP</b>	- means the <i>Bangko Sentral ng Pilipinas</i>
<b>Client</b>	- refers to any person, whether individual or juridical, from whom, or on whose behalf, UnionBank receives, acquires or holds funds or securities for the account of such person.
<b>Financial Products</b>	- refers to debt and equity securities, hybrid securities, derivatives as defined under sections X611 of the Manual of Regulations for Banks and 4611e of the Manual of Regulations for Non-Bank Financial Institutions, securitization structures, and similar products with substantial investment characteristics.

<b>Instructions</b>	- means a written, oral or electronic communication given by the Client or any of the Client's authorized person.
<b>Nominated Settlement Account</b>	- a deposit account with UnionBank, which may be a regular savings or checking account, that shall be used for the settlement of the Client's Securities Brokering transactions
<b>SEC</b>	- means the Securities and Exchange Commission of the Philippines
<b>Securities</b>	- refers to any evidence of indebtedness, shares, financial products and all types of securities by order and for the account of the Client, including, but not limited to, fixed income securities, long term negotiable certificates of time deposit (LTNCDs), Tier 2 notes, structured notes, foreign exchange transactions, other types of derivative transactions and, for avoidance of doubt, includes Financial Products.
<b>Securities Brokering</b>	- refers to the act of buying or selling securities by order of and for the account of its Clients.
<b>SRC</b>	- means the Securities Regulation Code or R.A. 8799.
<b>UnionBank DG</b>	- UnionBank Distribution Group is the unit of UnionBank through which it performs Securities Brokering.

**2. Interpretation.** The headings in this Agreement are for convenience only and shall not limit or affect the interpretation of the provisions. Unless the context otherwise requires, (i) words denoting the singular number shall include the plural and vice versa, and (ii) words denoting persons shall include individuals, corporations, partnerships, joint ventures, trusts, unincorporated organizations and any political subdivision, agency or instrumentality.

### **3. Services.**

3.1 UnionBank will act as a broker in buying and selling of Securities on behalf of the Client. The Client fully understands that any transaction it effects or entered into shall be made solely upon the exercise of its own judgment and at its own

discretion notwithstanding any information or explanations from UnionBank. The Client acknowledges that such information and explanations relate to the terms and conditions of the relevant Securities and should not be considered as an investment advice or recommendation.

3.2 UnionBank will also act as the execution agent of the Client in performing the services under this Agreement and does not warrant to the Client the value, merit or suitability of any Securities transactions entered by the Client.

3.3 The Client understands and acknowledges that UnionBank does not provide tax, legal, or investment services of any kind, nor does it give advice or offer opinions with respect to the nature, potential value, or suitability of any Securities transaction.

#### **4. Instructions.**

4.1. UnionBank will only perform its services under this Agreement in accordance with and in reliance on the Instructions of the Client. UnionBank may, however, in its sole discretion, refuse to accept any Instruction without any obligation to disclose reasons for such refusal. Without prejudice to the generality of the foregoing, UnionBank may refuse to act if any Instructions are unclear or conflicting, or based on its reasonable opinion, are fraudulent, forged or unauthorized or that acting on any Instructions may be in breach of any law or regulation applicable to the Client, the Authorized Person or UnionBank itself.

UnionBank shall not be liable to the Client for any loss arising out of or in connection with its not accepting or acting on any Instruction or omitting to notify the Client of such refusal. Furthermore, the Client shall bear any loss resulting from forged, fraudulent, unauthorized, or hacked Instructions.

4.2 UnionBank may accept and act on any Instruction given by any Client or Authorized Person where there are more than one Client and/or Authorized Persons.

**5. Fees.** UnionBank shall charge the Client for commissions and other fees for execution of transactions and for performing other related services and the Client agrees to pay such commissions and fees at then prevailing rates. Applicable interests, fees, charges and penalties, if any, are subject to change, with or without prior notice, as dictated by the market, issuer, and any changes to taxes and regulations. Prior to execution of any transaction, UnionBank will notify the Client in writing of the applicable commissions and fees.

#### **6. Settlement of Transactions.**

6.1 All payments shall be made to UnionBank in the agreed currency of payment in freely transferable, immediately available and cleared funds.

6.2 The Client shall open and maintain a Nominated Settlement Account with UnionBank, which may be a regular savings or checking account that shall be used for the settlement of its Securities Brokering transactions.

6.3 The Client shall maintain sufficient and cleared funds in such Nominated Settlement Account to cover all obligations in connection with the Securities transactions, including payments for commissions and other fees related with Securities Brokering transactions (including applicable external fees imposed by exchanges, registrars or custodians, as the case may be). The Client authorizes UnionBank to deduct such commissions and fees from its Nominated Settlement Account.

Payments made in the form of a check shall only be credited to the Nominated Settlement Account and available for payment when cleared by the drawee bank. If any check is dishonored or returned unpaid, the corresponding confirmation advice or any document confirming purchase of Securities shall be of no force and effect from the beginning.

6.4 Failure of UnionBank to deduct such commissions and fees from the Client's Nominated Settlement Account at the time the Client incurs the same shall not waive UnionBank's right to deduct those amounts at any other time.

6.5 Investment proceeds, including among others, coupon or call or maturity will be directly credited to the Client's Nominated Settlement Account.

**7. Confirmation.** UnionBank will issue a confirmation advice or any form confirming the transaction in accordance with the applicable terms and conditions of the Security/ies. In all instances, UnionBank will only issue such confirmation upon full settlement of the Securities transaction.

## **8. Trading Considerations.**

8.1 The Client understands that trading in Securities carries investment risks. The Client acknowledges that the price of Securities can and does fluctuate, any individual Security may experience upward or downward movements, and may even become valueless. There is an inherent risk that losses may be incurred rather than profit made as a result of buying and selling Securities.

8.2 The Securities subject of this Agreement are not obligations of, nor are they, individually or collectively, guaranteed by UnionBank. UnionBank will not be responsible for any failure in performance of any Security. All gains and/or losses from holding the Security/ies shall be for the Client's account.

8.3 The Security/ies, except in the case of time deposit and LTNCDs, is not a deposit, hence, it is not insured by Philippine Depository Insurance Corporations.

8.4 UnionBank may effect the Client's Securities transactions in such manner and through any participants of any exchange or clearing house, or in the relevant markets as UnionBank may decide.

8.5 The Client acknowledges that UnionBank is also an authorized Dealer in securities in accordance with the SRC and this Agreement does not prevent UnionBank from dealing, for its own account, with the Client. In such case, UnionBank will comply with the "Customer First" policy as required by the SRC and will disclose to the Client in the relevant agreement that it is acting for its own account.

## **9. Cancellation and Termination of Securities Transaction.**

All Instructions shall be deemed authorized and executed, subject to the stipulations in Section 4 hereof, with the understanding that an actual purchase or sale of Securities is intended by the Client. Pre-termination, cancellation or termination of Securities transactions are subject to the applicable terms and conditions of the relevant Securities being transacted by the Client.

If the applicable terms and conditions prohibit a Client from pre-terminating a Security but allow transfer or assignment of the same to an eligible holder, UnionBank shall not be obligated to purchase such Security from the Client. UnionBank may, subject to such terms as may be agreed separately in writing with the Client, sell such Security on its behalf at prevailing market rates.

**10. Representations, Warranties and Undertakings.** The Client represents, warrants and undertakes that:

10.1 It has the legal capacity and authority to enter into and be bound by this Agreement and all Securities transactions covered by this Agreement;

10.2 It shall observe and comply with all relevant laws, rules and regulations, approvals, authorizations, and consents to enable the same to buy or sell Securities and to ensure the validity and enforceability of this Agreement.

10.3 All information provided to UnionBank pursuant to this Agreement and related documents is true, complete and accurate. The Client undertakes to notify UnionBank of any changes in the information provided and furnish the same with all necessary documents within ten (10) days without need of demand;

10.4 It has read, fully understood, and agrees to be bound by the terms and conditions that apply to the Securities and/or services, as made available and explained by UnionBank DG Sales Officer.

10.5 It shall submit to UnionBank, upon being so requested, duly accomplished i) forms, documents and information, including among others, Know-Your-Client

documentary requirements, Client Suitability Assessment and Risk Disclosure Statement, in compliance the requirements of the BSP or other regulatory bodies, and ii) such other documents as may be deemed necessary by UnionBank.

- 10.6 It has conducted its own research, assessment, due diligence and study of the risks of entering into the Securities transactions. The Client understands and acknowledges that UnionBank provides no tax, legal, or investment advice of any kind, nor does it give advice or offer opinions with respect to the nature, potential value, or suitability of any Securities transaction or investment strategy. The Client shall not hold UnionBank or any of its directors, officers, employees, agents, subsidiaries or affiliates liable for any trading or other investment losses that the Client incurred or may incur in Securities transactions through UnionBank.
- 10.7 In dealing with Securities Transaction on behalf of the Client, UnionBank may appoint and transact with the Bureau of Treasury Registry via the Registry of Scripless Securities, Philippine Depository & Trust Corporation or the Client's designated third-party custodian accredited by the BSP, as the case may be, and open the necessary accounts for the Client as may be required by such entities. The Client undertakes to execute a special power of attorney or a letter of appointment or such other forms prescribed by such relevant entities, specifically authorizing UnionBank to perform such actions on its behalf.

## **11. Client Communications and Information.**

### 11.1 Consent to Recording

- a. The Client authorizes UnionBank to record or cause the recording (via recording device, other electronic process or such other manner deemed appropriate by UnionBank) of any communication between the Client and any of the officers, employees, agents or representatives of UnionBank made in connection with this Agreement or any potential Securities transaction.
- b. The Client understands that these recorded communications shall form part of UnionBank's official records and the Client consents to the submission of such recording to the BSP or any regulatory authority or as evidence in any relevant court or proceedings.

11.2 Electronic Communications. The Client consents to receive electronic communications, including electronic mails, short messaging service or text messages) to the email address and contact number/s provided to UnionBank. UnionBank is entitled to rely on the email address and contact number/s it has on record, and Client shall be solely responsible for updating its contact information.

The Client acknowledges that electronic communications may not be a secure means of communication and may be adversely affected, interrupted, and/or delayed by matters outside UnionBank's reasonable control.

The Client shall hold the Bank, its directors, officers and employees free and harmless from any and all loss, cost, damage, or expense suffered or incurred as a result of any such adverse effects, interruption, or delay.

- 11.3 Personal Data and other Information. The Client understands that UnionBank may, from time to time, request it to submit personal data (as defined under the Data Privacy Act and its Implementing Rules and Regulations) and such other information relevant to the Securities transaction or services.

The Client consents to any collection, processing, retention and/or sharing of its personal, sensitive personal or privileged information or such other information by UnionBank and to use such information (i) to complete the Securities transactions and services under the Agreement; (ii) in connection with any service provided to the Client or for any other reasonable purpose including, among others, prevention of fraud or carrying out statistical and other analysis; or (iii) in accordance with the terms and conditions governing the Client's deposit accounts with UnionBank.

## **12. Cooling-off Period.**

- 12.1 A Client, who is a natural person, shall be provided a cooling-off period of at least two (2) banking days immediately following his execution of a contract or agreement for products or services with a term equal to or beyond one (1) year or those subject to high pressure sales contracts.
- 12.2 During the cooling-off period, such Client, by submitting a written notice to UnionBank DG, shall be permitted to cancel or treat the agreement as null and void without penalty. UnionBank, however, shall collect processing and administrative fees to cover expenses incurred, including documentary stamp tax if any.
- 12.3 UnionBank shall not be liable for any loss arising from the client's exercise of his/her cooling-off rights. The following shall be for the account of the client:
- a) Any gain or loss from marking-to-market, arising from movements in market prices / interest rates; or
  - b) Any loss from an early withdrawal of a fixed rate term deposit, arising from the difference in interest rates.

### **13. Indemnification and Limitation of Liability.**

In addition to other indemnities provided in this Agreement, the Client agrees to indemnify UnionBank, its directors, officers, employees or agents and to hold the same free and harmless against all charges, costs, damages, losses, claims, liabilities, expenses, fees, and disbursements, that they may suffer or incur howsoever in connection with or arising from this Agreement, unless the liabilities for they are seeking indemnity arise from their own gross negligence or willful misconduct.

### **14. General Provisions**

14.1 **Governing Law and Venue.** This Agreement shall be construed, interpreted and governed by the laws of the Republic of the Philippines. UnionBank and the Client irrevocably submit themselves to the exclusive jurisdiction of the appropriate courts of Pasig City, Metro Manila, Philippines for the purpose of enforcing any right or obligation under or arising from this Agreement.

14.2 **Cumulative Rights.** Except as otherwise provided in the Agreement, the rights, powers, remedies and privileges provided in the Agreement are cumulative and not exclusive of any rights, powers, remedies and privileges provided by law.

14.3 **No Waiver of Rights.** A failure or delay in the exercise of any right, power or privilege in respect of the Agreement will not be presumed to operate as a waiver, and a single or partial exercise of any right, power or privilege will not be presumed to preclude any subsequent or further exercise of that right, power or privilege.

14.4 **Conflicting Terms.** In case of conflict between the provisions of this Agreement and the relevant terms and conditions that apply to a Securities transaction or service, the provisions of the latter shall prevail.

**15. Client Complaints.** UnionBank is an entity regulated by the BSP. For inquiries and comments relating to its products and services, the Client may contact UnionBank's 24-Hour Customer Service at (+632) 841-8600 for Metro Manila; 1-800-1888-2277 for PLDT domestic toll-free calls; and (IAC) + 800-8277-2273 for international toll-free calls or send an email at [customer.service@unionbankph.com](mailto:customer.service@unionbankph.com). T may also contact the BSP-Financial Consumer Protection Department (FCPD) at (02) 708-7087 or [consumeraffairs@bsp.gov.ph](mailto:consumeraffairs@bsp.gov.ph).

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### **Conforme:**

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AUTHORIZED SIGNATORY  
(Print Name and Sign)

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(Date)

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AUTHORIZED SIGNATORY  
(Print Name and Sign)

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