

APPLICATION FOR EXPORTERS HEDGING PROGRAM

I /We express my/our intent to apply for:

- _____ Foreign Exchange Insurance (FX Insurance)
- _____ Forward Foreign Exchange Rate Protection (FX Forward)

Name : _____
Address : _____
Telephone No/s. : _____
Nature of Business : _____

Details of Foreign Exchange Receipt/Receivable:

I/We certify that the above information and the submitted documents are true and correct. The amount applied for is outstanding and unhedged as of the date of this application. Further, I/we represent that _____ is an eligible obligor of this facility.

(Corporation)

For Single Proprietorship

For Partnership and Corporation
(Two Signatories)

(Signature over Printed Name)

(Signature over Printed Name)

(Signature over Printed Name)

Recommended by:

Approved by:

(Signature over Printed Name)
Account Officer

(Signature over Printed Name)
Approving Authority

DEVELOPMENT BANK OF THE PHILIPPINES
FORWARD FX RATE PROTECTION
(Non-Deliverable Forward Contract)

MASTER AGREEMENT

Between the DEVELOPMENT BANK OF THE PHILIPPINES, a government financial institution created and operating pursuant to the provisions of Executive Order No. 81 dated December 3, 1986, otherwise known as the 1986 Revised Charter of the Development Bank of the Philippines, as amended by Republic Act No. 8523, dated February 14, 1998, with office address at Sen. Gil Puyat Avenue corner Makati Avenue, Makati City (“DBP”) and the client (“Client”) as identified and described in such schedules attached hereto and made an integral part hereof (each a “Schedule”), have entered into and/or anticipate entering into one or more transactions (each “Transaction”) that are or will be governed by this Master Agreement, which includes such Schedule executed by the parties from time to time to confirm the Transactions.

Accordingly, the parties agree as follows:

1. “PDS Fixing Rate” means, on any relevant date, the rate of exchange quoted at the Philippine Dealing System (“PDS”) at 11:30 a.m. Manila time. Contract rate means the rate of exchange quoted by DBP for the purchase or sale of foreign currency against Philippine Pesos and accepted by client.
2. In the event of any inconsistency between the provision of the Schedule and other provisions of the Master Agreement, the Schedule shall prevail.
3. All Transactions are entered into in reliance on the fact that this Master Agreement and the Schedule form a single agreement between the parties (collectively, the “Agreement”) and the parties would not otherwise enter into the Transactions.
4. This Agreement shall be subject to such provisions as the Client and DBP may, from time to time hereafter, agree upon and stipulate in each Schedule.
5. On Maturity Date, the Contract Rate shall be compared to the PDS fixing rate and the settlement made as follows:

For Forward Purchase (DBP Buys Foreign Currency)

- If the PDS fixing rate on Maturity Date is higher than the Contract Rate, the Client pays DBP the difference between the PDS Fixing Rate and the Contract Rate multiplied by the Principal Amount as defined in the Schedule; or
- PDS Fixing rate is lower than the Contract Rate, DBP pays the Client the difference between the Contract Rate and the PDS Fixing Rate multiplied by the Principal Amount;

For Forward Sale (DBP Sells Foreign Currency)

- If the PDS Fixing Rate on Maturity Date is higher than the Contract Rate, DBP pays the Client the difference between the PDS Fixing Rate and the Contract Rate multiplied by the Principal Amount as defined in the Schedule; or
- If the PDS Fixing Rate on Maturity Date is lower than the Contract Rate, the Client pays DBP the difference between the Contract Rate and PDS Fixing Rate multiplied by the Principal Amount.

6. The Client hereby certifies that the foreign exchange covered by this Contract will be used solely for the Purpose stated in the Schedule. The Client shall submit the necessary documents required by the Bangko Sentral ng Pilipinas (BSP) or other necessary governmental approvals to DBP.
7. Documentary Stamp Taxes and remittance commission shall be for the account of the Client.
8. The Parties agree and intend that they are legally bound by the terms of this Master Agreement and of each Transaction from the moment they agree to those terms through the execution of this Master Agreement and of a corresponding Schedule.
9. This agreement shall be governed by and construed in accordance with Philippine Laws. The parties hereto agree that the courts of Makati City shall have exclusive jurisdiction to settle any disputes arising out of or in connection with this Agreement.

IN WITNESS WHEREOF, the parties have caused this Master Agreement to be executed and delivered by their respective authorized representatives as of the date first above written.

DEVELOPMENT BANK OF THE PHILIPPINES By: _____		Client: By: _____	
_____ Signature over Printed Name Marketing	_____ Signature over Printed Name Treasury	_____ Signature over Printed Name	_____ Signature over Printed Name
Signed in the Presence of:		_____ Position Signed in the Presence of:	
_____ Signature over Printed Name		_____ Signature over Printed Name	

Reference No. : _____
 Date : _____

DEVELOPMENT BANK OF THE PHILIPPINES
FORWARD FX RATE PROTECTION CONTRACT
 (NON-DELIVERABLE FORWARD)

Schedule to the Master Agreement

1. The Parties. This schedule to the Master Agreement is entered into by and between the Development Bank of the Philippines, a government financial institution created and operating pursuant to the provisions of Executive Order No. 81 dated December 3, 1986, otherwise known as the 1986 Revised Charter of the Development Bank of the Philippines, as amended by Republic Act No. 8523, dated February 14, 1998, with office address at Sen. Gil Puyat Avenue corner Makati Avenue, Makati City ("Bank") and the client ("Client"), identified and described as follows:

Name of Client : _____
 Address : _____
 Representative : _____

2. Definition of Terms. Whenever used herein, unless the context shall otherwise require, terms defined in the Master Agreement shall have the same meanings herein.

3. The Master Agreement. This schedule forms an integral part of the Master Agreement dated _____ with reference no. _____ entered into by and between DBP and Client.

4. Details of Transaction:

Amount : _____
 Deal Date : _____
 Fixing Date : _____
 Maturity Date : _____
 Contract Rate : _____
 Contract Tenor : _____
 Purpose of Transaction : _____
 Cash Deposit/ Holdout Agreement : _____
 Settlement Instruction : _____

5. At maturity date, the Contract Rate shall be compared to the PDS fixing rate and the settlement made as follows:

- If the PDS fixing rate is higher than the Contract Rate, the Client Pays DBP the difference between the PDS Fixing Rate and the Contract Rate multiplied by the Amount as specified above.
- If the PDS fixing rate is lower than the Contract Rate, DBP pays the Client the difference between the Contract Rate and the PDS Fixing Rate multiplied by the Amount as specified above.

IN WITNESS WHEREOF, the parties have caused this Schedule to be executed and delivered by their respective authorized representative as of Deal Date above written.

RISK DISCLOSURE STATEMENT

Ladies and Gentlemen:

The RISK DISCLOSURE STATEMENT brings to your attention certain issues related to derivatives between you / your organization and Development Bank of the Philippines ("DBP") and to confirm the nature of your relationship with DBP in the context of the Transaction between you and us.

Similar to other financial transactions, derivatives activities may provide significant benefits and involve a variety of significant risks.

Before entering into any derivative activity, you should fully understand the nature and terms of each transaction, the relevant risk factors, the nature and the extent of your risk of loss and the contractual relationship into which you have entered. You should carefully and independently evaluate whether the transaction is appropriate for you in the light of your objective, experience, financial and operational resources, and other circumstances and whether you have the proper resources and measures in place to monitor the associated risks and contractual obligations over the term of the transaction.

In general, all derivative activities include, among others, the risk of adverse or unanticipated market, financial or political developments, counterparty risks (including but not limited to risk of default and settlement risk) or issuer default and other credit and enforcement risks, liquidity risk and operational risks.

As in any financial transaction, you should understand the requirements applicable to you that are established by your regulators or by your board of directors or other governing body. You should also consider the legal, tax and accounting implications of entering into any derivative activity.

In entering into any derivative activity with, or arranged by DBP or any of its subsidiaries/affiliates, you should also understand that the **DBP is acting as your counterparty and not as your financial adviser or fiduciary unless DBP has expressly agreed in writing to act as such and then only to the extent so provided.** Whether or not the DBP has established a written financial advisory or fiduciary relationship, we may from time to time have substantial long or short positions in, and may make a market in or otherwise buy or sell instruments identical or economically related to the derivative activity entered into with you. DBP may have business or other commercial relationships with the issuer of any security or financial instrument underlying the derivative activity entered into with you.

THIS STATEMENT DOES NOT PURPORT TO DISCLOSE ALL OF THE RISKS OR OTHER RELEVANT CONSIDERATIONS ASSOCIATED WITH DERIVATIVE ACTIVITIES. YOU SHOULD THEREFORE CONSULT YOUR OWN FINANCIAL, LEGAL, TAX OR ACCOUNTING ADVISERS PRIOR TO ENTERING INTO ANY SUCH ACTIVITY.

YOU SHOULD NOT CONSTRUE THIS RISK DISCLOSURE STATEMENT AS A BUSINESS, LEGAL, TAX, OR ACCOUNTING ADVICE OR AS MODIFYING APPLICABLE LAW.

DEVELOPMENT BANK OF THE PHILIPPINES		Client: _____	
By: _____		By: _____	
_____ Signature over Printed Name Marketing	_____ Signature over Printed Name Treasury	_____ Signature over Printed Name _____ Position	_____ Signature over Printed Name _____ Position