

TERMS AND CONDITIONS
For Time Deposit with Confirmed Booking and Maintenance Status
Issued by Citibank, N.A., Philippine Branch

1. Definition of Terms - "The Bank", "Citibank", and "Philippine Branch" singly or collectively refer to any Citibank N.A. branch established in the Philippines. "You" and "Your" refer to every depositor whose application for a time deposit has been acknowledged by the Bank as reflected in the Monthly Statement of Account.

2. For Time Deposits

- 2.1 Deposit funded through checks - A deposit made in the form of a check shall not be considered good until the same has been cleared.
- 2.2 Deposit funded through current/savings account(s) debit - Upon receipt of your instruction, the bank shall debit your current/savings account(s) immediately, without prior verification of the balance in your current/savings account(s), for the purpose of funding your deposit. However, the deposit shall automatically be declared null and void should it be found that the current/savings account(s) from which the debit has been made has insufficient funds to cover the deposit.
- 2.3 This Confirmation is non-negotiable. It may not be assigned, transferred or changed by endorsements or otherwise without the express written consent of the Bank. Should your deposit be the subject of hypothecation, pledge or encumbrance in favour of the Bank, the terms and conditions governing said hypothecation, pledge or encumbrance shall prevail over this Confirmation.
- 2.4 Your deposit shall be repayable on the due date of repayment mentioned in this Confirmation, with interest thereon up to that date of repayment in local currency, or in the currency in which the deposit is denominated, or at the Bank's option, in such currency as may then be in local circulation. The Bank shall credit your current/savings account(s) with the proceeds of your deposit upon its maturity or pre-termination. In addition, for flexible deposits, you may opt to withdraw the interest due on the re-pricing date, as agreed upon on the date of booking.
- 2.5 Computation of Interest - The interest rate on a per annum basis is indicated on the face of this Confirmation. Interest shall be computed on a simple interest basis unless otherwise indicated likewise on the face of this Confirmation. In addition, for flexible deposits, interest shall be subject to re-pricing on a periodic basis, which shall be indicated on the Statement of Account.
- 2.6 In the event you open a deposit account in the names of two or more persons, the following provisions shall apply:
 - 2.6.1 Upon the death of a co-depositor, the withdrawal or release of the deposit in the joint account shall be subject to applicable laws, regulations and orders of courts of competent jurisdiction and applicable terms and conditions.
 - 2.6.2 If any one of the co-depositors forbids payout of the deposit to the other(s), the deposit shall not be paid-out until all co-depositors agree on how it will be settled.
- 2.7 DEPOSIT INSURANCE GUIDELINES ON DETERMINATION OF BENEFICIAL OWNERSHIP OF DEPOSITS INCLUDING TRANSFER/BREAK UP OF DEPOSIT Pursuant to its authority to prescribe and issue rules and regulations under Section 2 (d) (1) of Republic Act No. 3591, as amended (PDIC Charter), the PDIC Board of Directors, by virtue of Resolution No. 2009-08-138, dated August 26, 2009 as amended by Resolution No. 2009-09-159, dated September 30, 2009, approved the promulgation of the following rules and regulations implementing Section 4 (g), in relation to Section 21 (f), of the PDIC Charter.
 - 2.7.1 Deposits are insured by the Philippine Deposit Insurance Corporation (PDIC) up to a maximum amount of Five Hundred Thousand Pesos (P500,000.00) per depositor.
 - 2.7.2 PDIC shall recognize the registered owner/holder of a Legitimate Deposit in the books of the bank as the deposit entitled to deposit insurance, except where the records of the bank show that the Legitimate Deposit is maintained in the same right and capacity for the benefit of another depositor, in which case PDIC shall recognize the latter as the beneficial owner of the account entitled to deposit insurance.
 - 2.7.3 In cases (a) where a deposit account/s with an outstanding balance of more than the statutory maximum amount of insured deposit is/are broken up and transferred into one or more account/s; or (b) for deposit accounts and deposit transfers made in favor of individuals or of entities, either singly or jointly with individuals, from an account in the name of corporation, partnership, association, or unincorporated entity, the PDIC shall recognize the transferee/s as the beneficial owner/s of the account/s when:
 - I. The transfer was made with all of the following conditions present:
 - a. The break-up and transfer of deposit to the transferee is for a Valid Consideration;
 - b. The details or information for the transfer, which establish the validity of the transfer from the transferor to the transferee, are contained in any of the Deposit Account Records of the bank; and
 - c. Copies of documents, which show the details or information for the transfer, such as but not limited to contracts, agreements, board resolutions, audited financial statements, orders of the courts or of competent government body/agency, are in the custody or possession of the bank upon takeover by PDIC.
 - II. The transferee/s is/are the Qualified Relative/s of the transferor. Qualified Relatives are transferees within the second degree of consanguinity or affinity of the transferor. Relationship shall be proven by relevant documents such as, but not limited to, birth certificates and marriage certificates.

- 2.7.4 Deposit Splitting occurs whenever a deposit account/s with an outstanding balance of more than the statutory maximum amount of insured deposit maintained under the name of natural or juridical persons is/are broken down and transferred into two or more accounts in the name/s of natural or juridical persons or entities who have no Beneficial Ownership on transferred deposits in their names within one hundred twenty (120) days immediately preceding or during a bank-declared bank holiday, or immediately preceding a closure order issued by the Monetary Board of the Bangko Sentral ng Pilipinas for the purpose of availing of the maximum deposit insurance coverage.
- 2.7.5 Upon the determination by the PDIC of Beneficial Ownership or Deposit Splitting, the outstanding Legitimate Deposit/s in the closed bank maintained for the benefit of the beneficial owner/transferor, although in the name of another person/s or entity/entities, shall be subject to consolidation with the other Legitimate Deposits of the beneficial owner/transferor in said closed bank for deposit insurance purposes.

3. Taxes - All taxes, charges and levies applicable to this transaction shall be for your exclusive account.

- 3.1 In the case of Peso Long Term Deposits, interest income shall be exempt from the tax imposed under Section 24 (B) (I) and Section 25 (A) (2) of the Tax Reform Act of 1997, provided that the Peso Long Term Deposit is maintained for the minimum term of five years.
- 3.2 Pursuant to the provisions of the Tax Code, should you preterminate the Long Term Deposit or otherwise partially withdraw the Long Term Deposit before the fifth year, a final tax based on the rates provided under the Tax Code shall be imposed on the entire income, and shall be deducted and withheld by the Bank from the proceeds of the Long Term Deposit.
- 3.3 For the Peso Long Term Deposit, if it is held for a period less than five years, interest income shall be subject to a final tax based on the following:
 - (i) If holding period is less than 3 years - tax rate is 20%.
 - (ii) If holding period is 3 to less than 4 years - tax rate is 12%.
 - (iii) If holding period is 4 to less than 5 years - tax rate is 5%.

4. Pretermination - The Bank may impose pretermination penalties according to an existing schedule that pertains to the type of your Time Deposit. In addition, for the Peso Long Term Deposit, you will be charged a break funding cost*, an administration fee and the documentary stamp cost.

5. Claims

- 5.1 The Bank shall comply with all laws, writs or judicial and administrative orders, processes or regulations without obligation to confirm or question the legality or constitutionality of such order, process or regulation.
- 5.2 In all cases where the Bank is of the opinion that it will be subject to any claim or demand for taxes, or has to comply with any law, order, process or regulation, it may withhold payment of any sums due you until it shall have received an order or a satisfactory ruling from competent authority to the contrary, which would allow the release thereof.

6. Indemnity - You will reimburse the Bank for all expenses, including attorney's fees and for all charges and taxes incurred or paid in good faith by it, or because of your failure to comply with your obligations hereunder. You further hold the Bank free and harmless from any claims, demands and liabilities, which may be made against it. All sums due the Bank shall be payable on demand and shall draw interest at the auction average of the 91-day Treasury Bill Rate from demand until paid.

7. Limitations to the Bank's Liabilities - All obligations hereunder shall be payable solely at Citibank, N. A. (Philippine Branch), subject to the laws of the Philippines (including any governmental actions, orders, decrees and regulations).

8. Governing Law and Venue - This contract is governed by and subject to the laws of the Republic of the Philippines and any legal proceeding with respect thereto shall be filed exclusively in the proper court sitting in Makati City, Philippines.

9. Separate Stipulations - this contract is subject to the General Terms and Conditions governing the Citibank, N.A. (Philippine Branch) Accounts which are made an integral part hereof by reference.

10. The time deposit that has been confirmed as booked and maintained in the bank's records expires on the date of early termination or stated maturity date.

11. The Bank does not require the surrender or submission of the Time Deposit booking confirmation advice at maturity of the time deposit account. However, in the event of early termination of a 5-year Peso Time Deposit, surrender or submission of the Time Deposit booking confirmation advice is required.

*Break Funding Cost: [Board interest rate for nearest remaining tenor- Original interest rate] x Principal amount x [Remaining tenor / 360]. Where the board interest rate for the nearest remaining tenor is less than the original interest rate, break penalty is 0.