

Margin Application Form (Individuals) (v01.24)

ACCOUNT DETAILS

Account Name: _____ **Account No.:**

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_____ **Margin Line Requested:** _____

SUITABILITY ASSESSMENT (please answer all questions)

This assessment is conducted in compliance with relevant laws and regulations. It is intended to assist you in understanding your own ability and willingness to take risks based on your profile, financial situation, objective, risk tolerance, and experience. We encourage you to provide accurate and sufficient information. Without adequate information regarding your financial knowledge and experience, COL will not be able to accurately determine whether a margin account is appropriate to you.

1. How would you describe your experience, knowledge, and management of a margin account?
☐ None ☐ Limited
☐ Good ☐ Extensive
2. What is your average net worth for the past 2 years?
☐ Php 1 million and below
☐ Over Php1 million up to Php5 million
☐ Over Php5 million up to Php10 million
☐ Over Php10 million
3. Which best describes your ability manage a margin loan?
☐ My current income is sufficient to pay for my existing loans and the margin loan, if approved
☐ My current income is not sufficient to pay for my existing loans and the margin loan, if approved
4. Do you foresee any problem that may prevent you from acting on a margin call immediately?
☐ No ☐ Yes
5. Do you have another COL account?
☐ No ☐ Yes; Acct No: _____
6. If your answer to [5] is yes: Is it a margin account?
☐ No ☐ Yes

By signing below, I confirm that all the information in this form is true and correct. COL Financial Group, Inc. (COL) is authorized to verify the same and may consider any misrepresentation as sufficient ground for the rejection of this application. Based on their assessment, I understand that COL may approve my requested margin line, approve a reduced margin line, or disapprove my application. COL has no obligation to furnish the ground for denial or reduction in margin line. Finally, I hereby declare that I have read and understood the Margin Facility Agreement and agree to be bound by its terms and conditions, as the same may be amended from time to time.

PRIMARY ACCOUNT HOLDER

SECONDARY ACCOUNT HOLDER

Name:	Name:
Signature ✓	Signature ✓
Date Signed:	Date Signed:

FOR COL'S USE ONLY					
Received By:	Date Received:	Year Acct Opened:	Agent: <input type="checkbox"/> Self-directed <input type="checkbox"/> PCG/IFA, name of agent:	Reason for Previous Deactivation of Margin account, if applicable:	Recommendation: <input type="checkbox"/> Not Approved <input type="checkbox"/> Approved: <input type="checkbox"/> 50% of requested line <input type="checkbox"/> 75% of requested line <input type="checkbox"/> 100% of requested line <input type="checkbox"/> Others:
Verified By:	Date Verified:	Cash Position:	Stock Position:		
Remarks: (for existing margin clients, include current approved limit)				Approved By/ Date:	

Margin Facility Agreement

v.08.23

I/We (Client) hereby apply for a Margin Facility and agree to be bound by the terms and conditions below. The Client shall notify COL of any material changes in the Client's information as disclosed in the Customer Account Information Form (CAIF), including their financial circumstances or investments objectives. The Client authorizes COL to verify their information in relation to their application and continued use of the Margin Facility.

1. MARGIN LINE

- 1.1 Upon COL's approval of this Margin Facility Agreement (MFA), a Margin Line shall be established in the Client's account (Margin Account) which Margin Line shall not exceed the amount requested by the Client or the amount approved by COL, whichever is lower. The Client understands that the approved Margin Line can be reduced or cancelled by COL any time according to market conditions or for any reason at COL's discretion.
- 1.2 Should the Client wish to increase or decrease the Margin Line, the Client shall submit a request to COL. The request must be made in writing or through the appropriate facility provided in COL's website (Website). The Client understands that COL may approve or disapprove the request at its discretion. Further, COL may impose conditions for the approval of the request which may include, among others, the increase of the minimum deposit and the minimum maintaining net equity balance. If COL approves this request to amend the Margin Line, the use of the Margin Account subsequent to such approval shall signify the Client's agreement to any new or revised conditions.
- 1.3 The term "Marginable Securities" refers to the eligible marginable securities included in the list provided in the Website. COL may reclassify securities as marginable or non-marginable securities and/or their margin rating at any time.

2. DEPOSIT AND MINIMUM MAINTAINING BALANCE

The Client shall deposit the minimum amount imposed by COL either in cash or a combination of cash and acceptable stocks in scripless form, subject to the terms and conditions and limitations provided by COL. A minimum maintaining net equity balance of at least Fifty Thousand Pesos (Php50,000), or such other higher amount to be imposed by COL, is required to keep the Margin Account activated. A breach of this minimum maintaining balance after an end-of-day process will subject the Margin Account to the same rules provided under Section 7.5.

3. ONLINE CONFIRMATION RECEIPTS

- 3.1 COL shall maintain a ledger of the Client's daily transactions and furnish the Client with electronic Confirmation Receipts and Monthly Account Statements. This shall replace written confirmation of purchases and sales and account statements.
- 3.2 The Client shall submit their written objections to the Confirmation Receipts, if any, within the next business day from receipt of the confirmation. Otherwise, the Client shall be deemed to have accepted and confirmed the accuracy of the Confirmation Receipts.
- 3.3 All transactions for the day shall be displayed on the transaction confirmation page of the Website. The

Confirmation Receipts must be acknowledged as received through the Website before the Client can proceed to enter or transact new orders.

4. APPLICABLE LAWS & REGULATIONS

All transactions shall be subject to all applicable laws, rules and regulations such as, among others, Securities Regulation Code (RA 8799), Financial Products and Services Consumer Protection Act (RA 11765), those imposed by the Securities and Exchange Commission (SEC), Philippine Stock Exchange (PSE), and Capital Markets Integrity Corporation (CMIC), and the customs and usages of the market and its clearing house.

5. SECURITY

As security for all obligations and liabilities under the Margin Account, the Client hereby constitutes and creates a general lien and security interest in favor of COL over any and all of the Client's assets, including their cash, securities, contracts, papers, and documents pertaining thereto belonging to the Client or in which the Client may have an interest, which may now or hereafter be held or carried by COL for the Client (whether owned wholly or jointly with others), including all dividends, cash, stocks, properties, subscriptions, warrants, rights or options pertaining to said securities, which securities may be held by COL in its name, for the prompt and full payment and performance of any and all of the Client's obligations and liabilities under and by virtue of the Margin Facility regardless of whether or not COL has made advances in connection with such securities and/or exercised at any time any of its rights and powers under this MFA.

6. INTEREST RATE

- 6.1 The Client agrees to pay an Interest computed daily based on the Margin Account daily adjusted debit balances. Interest charges shall be computed at the flexible margin rates as indicated in the Website, which rates are exclusive of Value Added Tax (VAT) and are subject to change without prior notice at COL's discretion.
- 6.2 The daily Interest charge shall be calculated by dividing the applicable interest charge by the number of days in the given year. Interest, while computed daily, shall be debited from the Margin Account monthly. The Client's ledger shall calculate daily accruals of interest at the base rate. However, adjustments to take into consideration the daily flexible interest charges shall be made at the end of the month.

7. TRADING RULES

- 7.1 If the Margin Line is suspended or terminated at any time, the Client shall settle in full all billings for the payment of any debit balance and/or other obligations under the Margin Account.
- 7.2 Upon receipt of notice of the suspension or termination of the Margin Facility, the Client shall discharge their obligations by infusing additional funds, depositing Marginable Securities, or placing an order with COL to sell a sufficient amount of their securities to cover such obligations; Provided, however, that if such sale is not executed on the trading day after termination of the Margin Line, or when the net proceeds of such sale are insufficient, the Client shall pay the entire remaining obligations without need for demand.

7.3 The Client shall, at all times, trade within the limits of the Margin Line, i.e. a two peso security cover for every one peso exposure (debit balance) with COL. If the securities on the Margin Account fall by more than Twelve and one half percent (12.5%) in market value, thereby reducing the account position or margin cover to less than One hundred seventy five percent (175%) of the debit balance, COL shall issue a margin call to the Client. The Client shall have five (5) calendar days to increase the margin cover back to Two hundred percent (200%), by infusing cash, depositing Marginable Securities, or selling securities in the Margin Account.

7.4 If the Client is unable to increase the margin cover as required, or the Client's stock position continues to decline or declines by more than Twenty-five percent (25%), thereby reducing the account position or margin cover to less than One hundred fifty percent (150%) of the debit balance, or the equity in the Margin Account falls below the minimum maintaining balance, COL shall issue a notice of margin suspension and the following shall be implemented and complied with:

7.4.1 The Margin Facility shall be suspended and the Margin Account shall be converted to a *cash account status*.

7.4.2 The margin cover shall be raised back to Two hundred percent (200%) by selling securities or by remitting or depositing with COL within twenty-four (24) hours after the notice, such additional funds or marketable securities acceptable to COL as may be necessary to restore the Margin Account within the limits of the Margin Facility, as applicable. In case of failure to deposit additional funds or security to maintain the Margin Account within the limits of the Margin Line, in addition to the powers under this MFA, the Client authorizes COL to close out the whole or part of the Client's open transactions at any market price and at any time COL deems it proper. The Client shall be liable for any losses or deficiencies resulting therefrom plus interest charges. The enforcement of any right hereunder shall not be construed as a waiver, release, or discharge of any deficit or debit balance which may occur in the Margin Account.

7.4.3 Compliance with Section 7.4.2 shall not restore the Client's margin privilege and the Client will have to re-apply to be granted a margin facility.

7.4.4 The Client accepts full responsibility for the consequences of all transactions executed or not executed by COL for and on the Client's behalf. Subject to applicable law, the Client agrees not to hold COL liable for any loss or damage resulting thereof. To clarify, this does not exempt COL from acting with due skill, care, diligence, and professionalism toward the Client in connection with the Margin Account.

7.4.5 The Client acknowledges that COL shall make the margin call and notice of margin suspension by way of email notification and/or notice in the Website. COL is not required to notify the Client by any other means.

7.5 The suspension of margin privileges and/or the conversion of the Margin Account to a cash account shall not in any way relieve the Client of any of their obligations under this MFA.

7.6 Notwithstanding the foregoing, the Client may, at any time, pay and discharge their obligations under this MFA by: a) infusing additional funds, b) depositing Marginable Securities,

or c) selling securities sufficient to cover any debit balance plus any interest due on their Margin Account.

8. INTER-ACCOUNT TRANSFERS

COL may, at any time and from time to time, at its discretion and without prior notice, apply and/or transfer securities in any one of the Client's accounts to any of the Client's other accounts with COL when, in the latter's judgment, such transfer is necessary or advisable.

9. POWER OF ATTORNEY

If this MFA is terminated or deemed terminated, or in case of death or incapacity, or when a petition for bankruptcy or for the appointment of a receiver or conservator, or similar petition, is filed by or against the Client (or any of the Clients, in case of a joint account), or in the event the Client fails to deliver the required margin cover or otherwise fails to comply with this MFA, or whenever in its discretion, COL deems it necessary for its protection and notifies the Client of such finding, all amounts owing to COL under this MFA or any margin credit shall be immediately due and payable without demand or notice other than as specified in this paragraph, and COL shall be deemed to have, and is hereby granted, an irrevocable power of attorney (coupled with interest) to do the following on the Client's behalf:

9.1 To sell any or all of the securities which may be in COL's possession or which it may be carrying for the Client, either individually or jointly with others. COL shall, in case of any such sale, be entitled to any deficiency if the net proceeds of the sale are less than the Client's obligations which deficiency the Client and the Client's successors or assigns shall remit to COL upon demand, and the Client shall, at all times, be liable for the payment of the full account of any obligations owing under the Margin Line and for any deficiency remaining in the event the liquidation thereof in whole or in part by anyone of the parties thereto;

9.2 To buy any or all securities of which the Margin Account may be short;

9.3 To cancel any outstanding orders in order to close out the Margin Account in whole or in part, or in order to close out any commitments made in the Client's behalf; and

9.4 To apply to the payment of any of the obligations under the Margin Line, any funds, securities, or things of value belonging to the Client which may now or hereafter be in COL's possession or control.

Any such sales or purchases provided may be made at COL's discretion at the PSE or other markets where such business is usually transacted, or at public auction or private sale. Further, COL has the discretion to choose which security in the Margin Account will be liquidated or sold pursuant to this paragraph.

10. APPLICATION OF SALES PROCEEDS

Notwithstanding the extinguishment of the lien and security interest created herein, the Client expressly authorizes COL to apply in accordance with law the proceeds of any sale of securities contemplated in Section 7, in full or partial satisfaction as the case may be, of the Client's obligations under the Margin Line.

11. MARGIN ACCOUNT

Upon approval of the Client's application for Margin Facility, the Client's cash account will be upgraded to a Margin Account. The Client acknowledges that securities held in the Margin Account may be

pledged, repledged, hypothecated, or rehypothecated for any amount which COL, in its sole discretion, may deem necessary. The Client also acknowledges that the Client's securities may be loaned to COL or loaned out to others and that COL may receive compensation in connection with the lending of said securities.

12. COLLECTION FEES, ETC.

Should the Margin Account be referred to a third party for collection, the Client shall be further liable to pay, by way of fees, a sum equivalent to Ten percent (10%) of the total amount due but not less than Thirty Thousand Pesos (Php30,000), in addition to the costs of suits and other litigation expenses. Venue of all suits shall be in the proper courts of Pasig City, Philippines.

13. COMMISSION AND EXPENSES

In all purchases and sales under this MFA, including those made pursuant to the rights, powers, and remedies of COL specified herein, the applicable broker's commission shall be chargeable by COL for its own account or for the account of other brokers, and shall be payable in accordance with the applicable rules of the Exchange where the transaction was made and/or terms of the relevant invoice. All incidental costs, taxes, and expenses in connection with such transactions, or in connection with the administration of the Margin Line or the securities purchased, sold, and/or indentured thereunder shall be for the Client's account and shall be payable to COL upon the billing thereof.

14. RIGHT TO TERMINATE

Without prejudice to the rights and obligations created and the powers and authorities granted under this MFA, COL may terminate this MFA immediately by serving the Client a written notice of such termination. COL shall have the right at any time not to grant a margin or allow availments under the Margin Line at its discretion.

15. ENTIRE AGREEMENT, WAIVER, AND AMENDMENTS

This MFA contains the entire understanding and agreement between the Client and COL concerning the subject matter hereof. All other terms and conditions of the Online Securities Trading Agreement / Securities Trading Agreement (as applicable) which are not inconsistent herewith shall remain in force and effect. The Client may not assign their rights and obligations hereunder without COL's prior written consent. The above notwithstanding, COL may modify the terms of this Agreement upon notice. The continued use of COL's services following receipt of notice will constitute the Client's acceptance of the amendments. Should the Client not accept the modification, the Client must notify COL in writing.

16. SEVERABILITY

If any provision(s) should at any time become inconsistent with any applicable law, rule, or regulation, including those issued by SEC, PSE, or CMIC, said provision shall be deemed to be suspended, modified, or accordingly amended to conform to such law, rule, or regulation; but the remaining provisions of this MFA shall not be affected thereby and shall continue and remain in full force and effect until the obligations arising hereunder shall have been fully paid and performed or until terminated in the manner stated in this MFA.

Made this ____ day of _____ at Pasig City.

Margin Line Requested by Client: Php_____

Full Name and Signature (Primary)

Full Name and Signature (Secondary)

Account Number

ACKNOWLEDGED AND ACCEPTED BY:

COL FINANCIAL GROUP, INC.

Name and Signature of Authorized Representative