

SIRV DEED OF UNDERTAKING

KNOW ALL MEN BY THESE PRESENTS:

THIS deed of Undertaking made and executed by _____,

Name of SIRV Holder

_____ national with principal office/residence located at _____

(Complete address)

hereinafter referred to as OBLIGOR

-in favor of-

The BOARD OF INVESTMENTS, an attached government agency of the Department of Trade and Industry, with principal office located at 385 Sen. Gil J. Puyat Avenue, Makati City, Philippines and represented in this act by its _____ referred to as the OBLIGEE,

WITNESSETH : That

WHEREAS, OBLIGOR wishes to participate in the Special Investor's Resident Visa (SIRV) Program of the Board of Investments (BOI), (the "BOARD");

WHEREAS, OBLIGEE is willing to approve and uphold the OBLIGOR's SIRV subject to the condition that OBLIGOR submits the documents required hereunder and complied with the following covenants;

NOW, THEREFORE, for and in consideration of the foregoing premises, as the OBLIGOR hereby fully agrees and binds himself to do the following:

A. FOREIGN EXCHANGE REMITTANCE/TIME DEPOSIT

1. To sell the foreign exchange inward remittances in an amount of at least Seventy-five thousand U.S. dollars (US\$75,000.00) to the Development Bank of the Philippines (DBP) and/or the Land Bank of the Philippines (LBP), accredited banks of the OBLIGEE. Such inward remittance shall be certified under oath by DBP/LBP's duly authorized officers with the rank of not lower than Assistant Vice-President and shall be used to fund the direct equity investment in existing or proposed Philippine corporations acceptable to BOI.
2. To open and maintain peso time deposits (peso proceeds of at least US\$75,000.00) with DBP or LBP indicating that the said time deposit is under the SIRV program for a minimum maturity period of thirty (30) days but not to exceed one hundred eighty (180) days. The said peso time deposit shall earn interest based on the rates approved by the DBP and/or LBP, whichever is applicable, less the appropriate tax thereof. It shall be automatically rolled over until receipt of written advice and BOI prior approval for the termination either for conversion into direct equity investments or in case the application is withdrawn or denied. If the application is withdrawn or denied, the Obligor shall be allowed to terminate his peso time deposit only after thirty (30) days from the DBP/LBP's receipt of inward remittance.
3. That the Peso Certificate of Time Deposit shall bear the annotation that the amount indicated therein cannot be withdrawn, wholly or partially, without the prior approval of the BOI.

B. CONVERSION OF TIME DEPOSIT TO INVESTMENT

4. To invest in shares of stock in corporations engaged in manufacturing and service sectors, Investment Priorities Plan (IPP) projects of the BOI or publicly listed corporations thirty (30) days before the expiration of his probationary SIRV.
5. That the proceeds of the peso time deposits when converted to investment, both principal and interest earned thereof, shall be made payable to the Obligor's designated domestic corporation/s where investments will be made as approved by BOI.

6. To always present original copy of passport when transacting with DBP and LBP to establish the identity of the Obligor.
7. To comply with the Bangko Sentral ng Pilipinas (BSP) requirements on the registration of investment, in case the repatriation of capital and remittance of dividends, profits and earning which accrue from direct equity investments in domestic corporations, shall be sourced from the banking system.
8. To submit documents as proofs of investment on designated period as follows: (depending on whether the investment is made in a new corporation/existing corporation not publicly listed or in an existing publicly listed corporation).

8.1 Within thirty days (30) prior to expiration of probationary SIRV

- a) Letter of Intent (use BOI SIRV Form SH 002)

For investment in new corporation -

Signed and notarized duplicate copies of proposed Articles of Incorporation and By-laws;

For investment in existing corporation not publicly listed –

- a) SEC Certificate of Registration and Articles of Incorporation and By-Laws
- b) Latest audited financial statement, list of officers and directors;
- c) Secretary's certificate (notarized stating that the subscription/purchase of the shares of stock by the Applicant shall not violate the 40% limitation on ownership by foreigners in nationalized areas).
- d) Waiver of pre-emptive rights of existing stockholders;

Additional documents for shares purchased from existing stockholders:

- e) Corporate Secretary's certificate (notarized stating that the stockholder selling the shares is a stockholder of record owning such number of shares and that said shares are free from any lien and/or encumbrance and are not subject of set-off);
- f) Certified true copy of stock certificate issued to selling stockholder;
- g) The purchase price per share shall not exceed 10% of its current book value

For investment in shares in publicly listed corporations

- a) Sworn certification of stockbroker.

C. CONVERSION OF PROBATIONARY TO INDEFINITE SIRV

9. To submit additional documents to support the application for conversion of probationary to indefinite SIRV within 30 days from date of approval of the withdrawal of the deposit

General Requirements

- a) NBI Clearance/Police Clearance valid within 6 months
- b) Lease contract or proof of ownership of office or factory/plant sites and its location map

For investment in new corporation –

- a) Certified true copies of Securities and Exchange Commission (SEC) Certificate of Registration, Articles of Incorporation and By-laws;
- b) Treasurer's affidavit as to the amount of investment of the applicant
- c) Certified true copy of official receipt issued by the treasurer-in-trust
- d) Sworn certification of Corporate Secretary as to proposed start of commercial operation of the Corporation;

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- e) BIR Certificate of Registration (TIN/VAT)
- f) BIR approved authority to print official receipts and invoices and copies of the company's official receipts (if available)
- g) Certified true copy of Business/Mayor's permit valid for one (1) year and the corresponding official receipt (if available)

For investment in existing corporation not publicly listed –

- a) Business/Mayor's permit valid for one (1) year and its corresponding official receipt (O.R.)
- b) Certificate of Registration with the Board of Investments , if any
- c) BIR certificate of registration of TIN
- d) Latest BIR approved authority to print receipts and invoices and copies of company's official receipts
- e) Latest General Information Sheet (GIS) filed with the SEC reflecting the name of SIRV holder as one of the stockholders;
- h) Resolution from SEC authorizing the issuance of shares from the unsubscribed portion and exempting said shares from registration (if the shares acquired came from the unsubscribed portion of the corporation's authorized capital stock)
- i) Deed of assignment between buyer and the seller of the stock, if the shares acquired were purchased from existing stockholders (the purchase price per share shall not exceed 10% of its current book value)

For investment in shares in publicly listed corporations

- a) Certified true copy (by the stockbroker) of official receipts and buy invoice;
- b) Certification from the stock transfer office that the SIRV holder is a stock holder on record of the company where the investment was made
- c) Certified true copy (by the stock transfer office) of the Stock Certificate issued in the name of SIRV holder with the following annotation on the face thereof:

"The shares of stock covered by this certificate shall not be sold, transferred, conveyed, disposed and/or encumbered without the prior written consent of the Board of Investments"

Such annotation must bear the signature of the Corporate Secretary.

10. To submit other proofs of investment that the Obligee may require from time to time as it may deem necessary.

D. MAINTENANCE OF INVESTMENT/INDEFINITE SIRV

11. As long as the Obligor is a holder of Special Investor's Resident Visa, he shall abide by the following rules and regulations of the Obligee:

- a) To maintain his investment/s in shares of stock in corporations engaged in manufacturing and service sectors, Investment Priorities Plan (IPP) projects of the BOI or publicly listed corporations.
- b) To allow BOI and BI authorized representative/s to inspect the firm's office/plant premises and have access to documents for validation of the Obligor's investments;
- c) That the Obligee shall issue to the Obligor with confirmed investments together with his/her spouse and dependent children SIRV Identification Cards (ID) valid for a period of one year and renewed every year thereafter on or 30 days prior to its expiry date. This SIRV ID shall always be presented in dealing with BOI, BI and other concerned government agencies. The SIRV ID shall likewise exempt the Obligor and his/her spouse and dependents from securing the Special Return Certificate (SRC), Alien Certificate of Registration (ACR) and Emigration Clearance Certificate (ECC) from the Bureau of Immigration.
- d) The renewal of the SIRV ID shall be subject to the submission of the following supporting documentary requirements:

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- Sworn annual report;
- Certified true copy of the latest current audited financial statement of the business filed with BIR;
- Latest General Information Sheet (GIS) filed with the Securities and Exchange Commission (SEC)
- Business/mayor's permit valid for one (1) year and its corresponding official receipt
- Proof of registration with the BIR;
- Copy of corporate income tax return filed with the BIR with official receipt of income tax payment, if applicable;
- Copy of the individual income tax return of the SIRV holder filed with the BIR with official receipt of income tax payment, if applicable;
- Vicinity Map of the place of business of the Corporation where investment was made.

e) To notify the Board of Investments in writing should there be a change in the information supplied in his application form (e.g. status, contact address, telephone numbers, etc.) or intend to terminate his SIRV.

12. To pay the required fees, fines and penalties when applicable as follows:

- a) Conversion of Time Deposit into investment – P1,000.00;
- b) Conversion of probationary to indefinite visa – P2,000.00 per person;
- c) Issuance of SIRV Identification Card – P2,000.00 per person;
- d) Nominal fee to cover the cost of inspection;
- e) Late submission of reports and/or proof of investment – Basic fine of one thousand pesos (P1,000.00) plus a daily fine of one hundred pesos (P100.00) until compliance.

13. In the event OBLIGOR fails to comply with and /or perform any of the foregoing covenants, the BOARD shall, after due notice, have the right to cancel/downgrade the Special Investor's Resident Visa (SIRV) and Identification Card of OBLIGOR, his spouse and dependents and/or recommend the inclusion of the name of the OBLIGOR, his spouse and dependents in the blacklist of the Bureau of Immigration.

IN WITNESS WHEREOF, the party hereto has signed these presents this ____ day of _____ 20__
at _____.

Obligor
SIRV Control No. _____

SIGNED IN THE PRESENCE OF:

_____ and _____

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ACKNOWLEDGEMENT

REPUBLIC OF THE PHILIPPINES)
_____) S.S.

BEFORE ME, a Notary Public for and in _____ this ____ day of _____ 20__ personally appeared _____ exhibited to me his/her Passport No. _____ issued in _____ on _____ known to me to be the same person who executed the foregoing instrument and acknowledged to me that the same is his/her own free and voluntary act and deed.

WITNESS MY HAND AND SEAL on the date and place first above-mentioned.

NOTARY PUBLIC

Doc. No. _____;
Page No. _____;
Book No. _____;
Series of 20_____