

ANNEX B

Pursuant to Clause 9(a) of the Agreement, the following terms and conditions shall govern the Securities accepted by PFEC as a Margin Deposit:

1. Collateral

The CLIENT hereby assigns and transfers, by way of security in favor of PFEC, the sums of money that represent its Margin Deposit in U.S. Dollars or such other currency denomination as may be prescribed by PFEC from to time, the receipt of which, is now acknowledged by PFEC, upon the terms and conditions, and with the powers and limitations conferred and set forth herein.

2. Delivery

The assignment and transfer of the Margin Deposit to PFEC shall be made by the CLIENT at its option, either personally or thru a deposit to the bank account of the PFEC. Delivery of the Margin Deposit is completed only when PFEC actually receives the same.

3. Term

The security created in favor of PFEC over the Margin Deposit shall begin on the date PFEC actually receives the Margin Deposit and shall subsist until the termination of the Agreement. Provided, that, any and all obligations of the CLIENT to PFEC which have arisen on or prior to the termination or expiration of the Agreement shall remain enforceable. For this purpose, Sections 4, 7 and 9 of this **Annex B** shall survive any termination of the Agreement. The date stated in the margin receipt given by PFEC shall be conclusive as to the date of the commencement of the security created under the terms of this **Annex B**. Provided, however, that in case payment is made by way of checks, such date of commencement shall be the date when the checks have been actually encashed.

4. Conversion of the Collateral

Upon delivery, PFEC shall deposit the Margin Deposit in time deposit bank accounts, which shall be held by PFEC as a security for any losses/expenses related to the Foreign Exchange Trading activities undertaken by the CLIENT or by PFEC for and on behalf of the CLIENT. Forthwith, PFEC shall cause the issuance of a Certificate of Time Deposit in its name. PFEC shall furnish the CLIENT with a certified true copy of the Fix Deposit Advice within twenty-four (24) hours from the actual deposit.

5. Interest and Other Income

As partial consideration to PFEC for its services as an agent for the CLIENT under the Agreement, any and all interest earned from the Margin Deposit after delivery thereof to PFEC shall accrue and be credited in favor of PFEC, which PFEC may withdraw at any time for its own benefit.

6. Prohibitions

Except as may otherwise be provided under this Agreement, PFEC may not assign, pledge, mortgage or otherwise dispose of the Certificate of Time Deposit during the entire term of the Agreement.

7. Bond and Liability

PFEC shall not be liable for any loss or depreciation in the value of the Certificate of Time Deposit occurring by reason of bank insolvency, unless it shall have failed to act in good faith or with reasonable care. Neither shall PFEC be required to furnish any bond and security for the performance of its duties under this Agreement.

8. Revocability

In the event the Agreement is terminated under the provisions thereof and the amount of the Margin Deposit remains undiminished or there shall be an amount remaining after the deduction for settlement of expenses related to Foreign Exchange Trading, the CLIENT shall provide the PFEC at least seven (7) days prior notice for a return of the said amount. The following documents shall be submitted for the cancellation of the security created under the Agreement and the return of the Margin Deposit.

- (a) True Copy of the Fixed Deposit Advice;
- (b) Agreement Book;
- (c) Original Official Receipt; and
- (d) Last Original Trading Statement

9. No Trust Relationship Created

The provisions of this **Annex B** shall not be deemed to create any kind of trust relationship between the Parties. PFEC does not hold or represent itself as a trustee for the CLIENT with respect to the Margin Deposit or any other property which PFEC may receive from the CLIENT as defined or understood under the current banking laws and regulations. The Margin Deposit is merely held by the PFEC as a security to protect itself against possible losses and expenses incurred by the CLIENT while undertaking Foreign Exchange Trading.