

NATIONAL DEVELOPMENT COMPANY

General Policies Governing Accreditation of Brokers

1. PREREQUISITES FOR ACCREDITATION

- 1.1 Brokers who wish to be accredited by the National Development Company (NDC) for the purpose of selling and leasing NDC Land and Building Assets must submit to NDC the following requirements for accreditation:
 - 1.1.1 Letter of request for accreditation as broker (Proforma attached) signifying the broker's undertaking to comply with NDC's policies, terms and conditions on the sale and lease of NDC Land and Building Assets;
 - 1.1.2 Photocopy of valid Real Estate Broker license issued by the Housing and Land Use Regulatory Board (HLURB);
 - 1.1.3 Photocopy of Certificate of Registration jointly issued by the Bureau of Trade Regulations and Consumer Protection (BTRCP) of the Department of Trade and Industry (DTI) and the HLURB;
 - 1.1.4 Certificate of Good Standing from a broker's association;
 - 1.1.5 List of the applicant's past and existing clients stating company's name, contact person and contact numbers;
 - 1.1.6 Notarized certification that the applicant is not related up to the third degree of consanguinity to the officers and employees of NDC who have direct participation in the disposition and approval of the land and building assets;
 - 1.1.7 Notarized certification of no pending cases before the courts or quasi-judicial bodies;
 - 1.1.8 Notarized authorization for NDC to inquire or verify the documents submitted by the applicant with the issuing or originating agency or entity;
 - 1.1.9 Photocopy of Value Added Tax (VAT) Registration Certificate issued by the Bureau of Internal Revenue (BIR);
 - 1.1.10 Photocopy of Tax Identification Number (TIN) Card issued by BIR;
 - 1.1.11 Photocopy of latest Income Tax Return duly stamped and received by the BIR;

- 1.1.12 A duly concurred and signed copy of this guideline.
- 1.2 The requirements for accreditation must be accomplished in triplicate, arranged in a folder in the above order and enclosed in one sealed envelope.
- 1.3 Notwithstanding the complete submission of the foregoing requirements, a broker shall not be deemed authorized to sell or offer for lease NDC Land and Building Assets without the written approval by NDC of the broker's application for accreditation.

2. SUBMISSION OF APPLICATION

- 2.1 All applications must be sealed, addressed and delivered to:

The Chairman
Disposal Committee
NATIONAL DEVELOPMENT COMPANY
6th Floor, NDC Building 116 Tordesillas St.
Salcedo Village, Makati City, 1227

Code: Application for Broker's Accreditation

- 2.2 The sealed envelope shall be submitted by the bidder by dropping the same in the sealed and locked bid box marked and provided for the purpose.
- 2.3 Application should be submitted on _____ from 8:00 in the morning to 2:00 in the afternoon (NDC Clock). No application shall be accepted after 2:00 in the afternoon of _____.

For applicants outside Metro Manila, applications may be sent through courier and must be received by the Disposal Committee on or before 2:00 in the afternoon of _____.

3. INTERPRETATION OF THE GUIDELINES FOR ACCREDITATION

- 3.1 Any other questions regarding the accreditation should be submitted in writing not later than _____ to:

The Chairman
Disposal Committee
NATIONAL DEVELOPMENT COMPANY
6th Floor, NDC Building 116 Tordesillas St.

- 3.2 No verbal agreement or conversation with nor any verbal clarification from any officer or employee of NDC shall affect or modify any of the terms and conditions contained in the guidelines and those herein stated.

4. ACCREDITATION OF BROKERS

- 4.1 The Disposal Committee shall advise in writing the prospective brokers/applicants on the action taken on their applications within thirty (30) days from its submission.
- 4.2 A broker who has fully complied with the requirements shall be issued with written notice of approval for accreditation and a Non-Exclusive Authority to Sell and/or Negotiate Lease which is valid for a period of one (1) year, upon payment of accreditation fee of Pesos: Three Thousand Pesos (₱3,000.00).
- 4.3 Accredited brokers may renew his accreditation with NDC upon favorable performance review and submission of updated copies of the aforementioned requirements and such other documents as may be required by NDC. The renewal of the broker's accreditation shall be effective only upon written approval of NDC.

5. PROPERTIES OFFERED

- 5.1 All accredited brokers shall be provided with a list of :
 - 5.1.1 Lands and buildings that are available for lease; and
 - 5.1.2 Land assets scheduled for negotiated sale or have undergone at least two (2) failed public biddings.
- 5.2 The accreditation of a broker is not a blanket authority to sell or offer for lease any and all NDC land and building Assets. NDC reserves the right to restrict or limit the sale/lease or marketing activities to be conducted by a broker or brokers to those land and building Assets of which the broker shall be advised from time to time.

6. PRICE AND TERMS OF PAYMENT

- 6.1 Prices for the sale of the NDC land assets are NET to NDC and shall be equal to or above the minimum bid price as approved by the NDC Board. **Terms of payment for the sale of NDC land assets would be exclusively on spot cash basis.**
- 6.2 Lease rates for the NDC lands and buildings shall be based on the prevailing rental rates and/or the NDC Board approved lease guidelines. Payment shall be based on the provisions of the Contract of Lease.

7. PROCEDURE ON THE SALE AND LEASE OF NDC LAND AND BUILDING ASSETS

The sale and lease of the NDC Land and Building Assets through accredited brokers shall be on a **first-come-first-served basis**.

- 7.1 Accredited brokers must register their prospective buyers/lessees to NDC indicating their preferred property(ies).
- 7.2 Accredited brokers shall conduct detailed discussion with its client in order to understand the nature of the requirements, as contained in NDC guidelines on leases and biddings.
- 7.3 Client, through its authorized broker and duly accredited by NDC, shall submit its Letter of Intent and price/lease offer to NDC.
- 7.4 NDC shall entertain offers that are equal or above the approved minimum bid price or the prevailing lease rates.
- 7.5 NDC shall review, evaluate the offers and award of sale/lease in accordance with the existing government rules and regulations on asset disposal.
- 7.6 Short-term leases (1 year or less) require approval by the NDC Management Committee (Mancom), while long-term leases are subject to both NDC Mancom and Board of Director's approvals. After securing aforesaid approval, NDC and the lessee may proceed with the signing of the Contract of Lease.
- 7.7 Sale of all land assets, regardless of amount, is subject to approval by the NDC Mancom and Board of Directors. A Notice of Award shall be issued to the successful buyer after receipt of NDC Board approval. Successful buyer shall proceed with the signing of the Deed of Sale with

NDC and tender full payment to NDC within thirty (30) days from receipt of Notice of Award.

8. COMMISSION

8.1 Commission schemes shall be as follows:

8.1.1 Broker's fee for a successful lease is equivalent to a **maximum of one month's rent.**

8.1.2 Commission rates on the sale of properties are as follows:

<u>Minimum Bid Price</u>	<u>Broker's Fee</u>
P4.0 million & Below	5.0%
Above P4.0 million < P20.0 million	4.5%
Above P20.0 million < P40.0 million	4.0%
Above P40.0 million < P100.0 million	3.5%
Above P100.0 million	3.0%

8.2 NDC shall recognize the broker who delivers the following:

8.2.1 Buyer's check or Lessee's rental deposit;

8.2.2 Duly executed documents covering the sale or lease; and

8.2.3 Copy of Letter of Intent signed by both the buyer/lessee and the broker.

A broker cannot claim credit for the sale/lease once the buyer/lessee's check has been accepted directly by NDC.

8.3 The following are not entitled to commission:

8.3.1 Brokers without authority to sell/negotiate lease from NDC;

8.3.2 Brokers who negotiated sale/lease to a government institution;

8.3.3 Brokers who had transacted the sale/lease to an NDC employee or his relative within the first degree of consanguinity or affinity;

- 8.3.4 Brokers who had transacted sale to the former owner(s) or present occupant(s) of the properties subject of sale; and
- 8.3.5 Brokers who did not perform all the duties and responsibilities stated in the guidelines for accreditation.
- 8.4 In the event that a sale/lease is claimed by two or more accredited brokers, the broker who delivers the buyer/lessee's check to NDC shall be recognized as the broker entitled to the commission pertaining to the sale/lease. If both or all brokers claiming representation of a buyer/lessee each delivers a buyer/lessee's check to NDC, the following procedure shall be followed in determining who among said brokers is entitled to a commission:
 - 8.4.1 The broker who is first to deliver the buyer/lessee's check payment to NDC shall be deemed to be the broker entitled to the commission. For purposes of delivering a buyer/lessee's check payment to NDC, personal appearance of the broker shall be required at the Asset Management Group, 6th Floor NDC Building, 116 Tordesillas Street, Salcedo Village, Makati City.
 - 8.4.2 Where two or more accredited brokers are physically present at the aforesaid office premises at the start of business hours, i.e., 8:00 a.m., for the purpose of delivering payment of the same buyer/lessee, the determination of who among such brokers shall be entitled to a commission shall be done by lots in which the brokers' names will be drawn by the Assistant General Manager of the Asset Management Group. The time of actual arrival by a broker at the NDC office before the start of business hours shall not be used as basis in determining who among the brokers shall be entitled to a commission.
- 8.5 Broker's commission shall be released after the buyer/lessee's check has been cleared and upon submission by the broker of a request for payment of the commission and upon presentation of his broker's license.
- 8.6 All taxes accruing on the receipt by an accredited broker on the commission, which may be due to said broker, shall be for the broker's account. The broker authorizes NDC to withhold the corresponding creditable withholding tax due on the commission and to remit the same to the Bureau of Internal Revenue or its successor agency.
- 8.7 Upon release of the commission, accredited broker(s) shall be required to issue in favor of NDC a receipt or invoice duly registered with the Bureau

of Internal Revenue indicating therein the Taxpayer's Identification Number (TIN) and VAT-registration number of said accredited broker.

9. ACCREDITED BROKER'S RESPONSIBILITY

- 9.1 Accreditation by NDC is a privilege granted by NDC which can be withdrawn at any time at the sole discretion of NDC. All accredited brokers are therefore expected to act with utmost integrity and professionalism always upholding the interest of NDC above their own.
- 9.2 Brokers should duly inform their prospective buyers/lessees of the terms and conditions of the sale and lease as contained in this general policy and the NDC guidelines on leases and biddings. In this connection, the broker shall be responsible for obtaining updates and other information from NDC, particularly on procedures, guidelines, property nuances and dues, as well as new developments on the subject property(ies), particularly the status of the negotiations, if any.
- 9.3 The broker shall conduct negotiations as to details of the terms through non-informal, non-binding letter.
- 9.4 The brokers shall submit to NDC of all pertinent information on the buyer/lessee and documents required to effect the sale/lease and registration thereof.
- 9.5 Expenses incurred during site inspections with prospective buyers/lessee shall be for the sole account of the brokers.

10. ADVERTISEMENTS

- 10.1 Accredited brokers are strictly prohibited in advertising in various media such as newspapers, internet, radio, television and others without prior written approval of NDC. In case of approved request, all expenses incurred in the advertisement of the properties shall be for the sole account of the broker.

11. BROKER'S PROHIBITED ACTS

- 11.1 Brokers are not authorized to collect or receive any payment in behalf of NDC.
- 11.2 Accredited brokers are strictly prohibited from participating on the public auctions conducted by NDC as well as soliciting business from directs

clients of NDC (a client is considered a direct buyer/lessee upon submission of the Letter of Intent that states they do not have a broker).

11.2.1 Buyers/Lessees who had initially negotiated with NDC without the assistance of a broker for the purchase/lease of the property shall not be allowed to introduce a broker in the course of the negotiation proceedings thereafter.

11.2.2 A broker may, however, be recognized as the official representative of an existing NDC buyer/lessee for any succeeding purchases/lease provided that he/she is given due recognition by the buyer/lessee as indicated in the Letter of Intent.

11.2.3 In the same light, a broker's recognized client for one sale/lease may become a direct buyer/lessee of NDC for any succeeding sales/leases should the client feel it to be in his/her best interest to do so.

12. GENERAL PROVISIONS

12.1 Any violations of the terms herein and the guidelines governing the sale and lease of NDC land and building assets which may be mandated by NDC from time to time, or behavior deemed detrimental to the corporate image of NDC shall be grounds for the automatic cancellation of the accreditation of the broker including forfeiture of commissions in favor of NDC, without prejudice to the right of NDC to pursue other remedies to which it may be entitled under Philippine laws.

12.2 NDC reserves the right to cancel at any time the accreditation of a broker or any other authorization granted thereto, upon due notice.

12.3 Pursuant to item 5.1 above, NDC reserves the right to refuse to sell or lease any NDC Land and Building Assets to a buyer or lessee who is referred by a broker for any reason whatsoever.

12.4 Each broker shall hold NDC free and harmless from any action or claim which may be brought by any person or entity against NDC if the suit is caused by an act of misrepresentation, fault and negligence of the broker.

12.5 There shall be no employer-employee relationship between NDC and the broker and the employees of the broker. The broker will be exclusively responsible for the implementation and compliance with the provisions of the Labor Code of the Philippine, Minimum Wage Laws, Employees

Compensation Act, Social Security Laws, and similar laws or rules and regulations with regard to its employees.

- 12.6 Any of the foregoing terms and conditions may be amended by NDC, of which accredited brokers will be notified and shall be deemed to be bound hereby.

I/We have read and accept the terms and conditions herein and agree to be bound by and observe the foregoing terms and conditions in case I/We am/are accredited as broker of the National Development Company.

CONFORME:

Signature Over Printed Name

Date