

PHILIPPINE OVERSEAS EMPLOYMENT ADMINISTRATION
Licensing and Regulation Office
Licensing Branch, Licensing and Evaluation Division

ESCROW AGREEMENT
(Renewal Seabased)

KNOW ALL MEN BY THESE PRESENTS:

This escrow agreement, made and entered into this _____ day of _____ 200__ in _____, Philippines, by and among:

_____, a company duly organized and existing under and by virtue of the laws of the Philippines and is an applicant for renewal of a license to engage in the recruitment and employment of seafarers, with registered principal office at _____, represented by _____, hereinafter referred to as the **FIRST PARTY**;

_____, a universal banking corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, and licensed to do trust business, with principal office at _____, represented by _____, hereinafter referred to as the **SECOND PARTY**;

- AND -

PHILIPPINE OVERSEAS EMPLOYMENT ADMINISTRATION (POEA), an attached agency of the Department of Labor and Employment (DOLE) with principal office at Blas F. Ople Building Ortigas Avenue Corner EDSA, Mandaluyong City, represented by _____, hereinafter referred to as the **THIRD PARTY**;

WITNESSETH THAT :

WHEREAS, the **FIRST PARTY** has applied for the renewal of its license with the **THIRD PARTY** to engage in the recruitment and employment of seafarers;

WHEREAS, in compliance with Section 16-B, Part II, Rule II of the 2003 POEA Rules and Regulations Governing the Recruitment and Employment of Seafarers, the **FIRST PARTY** has deposited in escrow with the **SECOND PARTY** the amount of ONE MILLION PESOS (P1,000,000.00) to answer for all valid and legal claims arising from violations of the conditions for the grant and use of the license, and/or accreditation and contracts of employments;

WHEREAS, in compliance with the aforesaid new licensing requirement(s), the **FIRST PARTY** has deposited in escrow with the **SECOND PARTY** the sum of ONE MILLION PESOS (P1,000,000.00) Philippine Currency, the receipt of which is likewise acknowledged by the latter;

WHEREAS, for the final consummation of the above transaction, the parties hereto have obligated themselves individually to comply with certain conditions more particularly stipulated hereunder;

NOW THEREFORE, for and in consideration of the premises and more specifically the mutual commitments herein set forth, the parties hereto have voluntarily agreed and covenanted as follows:

1. This Account shall for all legal purposes, be designated as ESCROW ACCOUNT NO. _____ and under this consideration, the **SECOND PARTY** shall conduct its affairs, hold and administer the deposit in escrow as provided herein;
2. That the deposit in the amount of ONE MILLION PESOS (P1,000,000.00) shall remain intact during the validity of license for a period of four (4) years and an additional four (4) years if not renewed upon its expiration, or should the license be revoked or otherwise cancelled for whatever legal grounds; provided that in case of voluntary surrender or expiration of license, the release of the escrow deposit shall be allowed after posting of a surety bond of similar amount from an acceptable bonding company valid for four

- (4) years from the expiration of license; and provided further that said escrow deposit may be subject to spot verification by duly authorized representatives of the THIRD PARTY;
3. That the deposit in escrow shall not be withdrawn or released except upon proper authorization/clearance by the THIRD PARTY and shall answer for all valid and legal claims of a seafarer arising from recruitment violation by the FIRST PARTY; or claims arising out of an employer-employee relationship or by virtue of any law or contract involving Filipino workers for overseas deployment under the joint and solidary liability of the FIRST PARTY. In this connection, a written instruction to disburse issued by the THIRD PARTY with a copy of the final order/resolution upholding the claim of a seafarer shall serve as the authority of the SECOND PARTY to disburse from the deposit in the escrow to the workers identified therein the amount indicated; provided that the SECOND PARTY shall pay the claims on a "first-come-first served" basis and the Order of Garnishment that is first served upon the bank shall be satisfied, irrespective of the date of the issuance of the writ of execution; provided further that where several claims are simultaneously presented on the same day, and the escrow deposit is not sufficient to pay the claims, the SECOND PARTY shall pay the claims on the pro-rata basis. It is understood, however that the SECOND PARTY shall not be liable beyond deposit in escrow in the amount of ONE MILLIION PESOS (P1,000,000.00) or beyond whatever balance of the deposit in escrow;
 4. That in the case the deposit in the escrow is reduced by the reason of enforcement of a final judgment/resolution arising from recruitment violations or claims arising out of an employer-employee relationship or by virtue of any law or contract involving Filipino seafarers on board ocean going vessels under the joint and solidary liability duly adjudicated by the THIRD PARTY and the NLRC, respectively, the FIRST PARTY shall forthwith replenish the same within fifteen (15) calendar days from the notice by the THIRD PARTY; provided that the SECOND PARTY shall at all times advise the THIRD PARTY whenever the escrow deposit is reduced or same is no longer intact; provided further that violation of the provision shall result in the suspension of the license of the FIRST PARTY without further notice;
 5. That the SECOND PARTY may invest the escrow deposit in government securities, provided that said escrow deposit shall be available anytime on demand by the THIRD PARTY for the purpose mentioned in paragraph 3 hereof;
 6. That this Agreement shall in no case be pre-terminated without prior notice to and clearance by the THIRD PARTY; provided further that violation of this provision shall be sufficient cause for revocation of license of the FIRST PARTY. It is understood that this provision shall equally apply to transfer of account/re-designation of another bank which the FIRST PARTY may undertake; provided further that in case of re-designation to another bank, the escrow deposit with the SECOND PARTY shall not be released unless appropriate clearance is issued by the THIRD PARTY;
 7. That the SECOND PARTY, cognizant of the foregoing terms and conditions above stipulated, does hereby agree to act as ESCROW AGENT for the FIRST and THIRD PARTY and to discharge the duties and perform the undertakings in accordance therewith;
 8. That for its services, the SECOND PARTY, shall be entitled to receive a compensation equivalent to _____ per annum. Such fees shall be payable quarterly and shall be for the account of the FIRST PARTY;
 9. Any and all earnings from the investment and re-investment of the deposit in escrow hereof shall be for the account of the FIRST PARTY. The FIRST PARTY may withdraw periodically the earnings of the deposit in escrow.
 10. Upon release and delivery of the entire escrow deposit of the party(ies) entitled thereto and the FIRST PARTY fails to replenish the same pursuant to paragraph 4 hereof, this Agreement shall terminate and the responsibilities of the SECOND PARTY as ESCROW AGENT under this Agreement shall likewise be terminated provided that the SECOND PARTY shall give notice of the termination to the THIRD PARTY within ten (10) days from the lapse of the period to replenish as provided in Section 4 hereof.
 11. The SECOND PARTY shall not look into the veracity, genuineness or validity of the written authorization to release all or any portion of the escrow deposit or any document which it might receive pursuant to the provisions of this Agreement, or otherwise pass upon any requirement of such instrument that may be essential for its validity, the intent of the parties hereto being to assure the immediate release and delivery of all or any portion of the escrow deposit to whoever is entitled thereto when the same is authorized under the terms of this Agreement;

- 12. The SECOND PARTY is authorized and directed to disregard in its sole discretion any and all notices, directives and warnings that may be given to it by the other parties hereto or by any other person, firm, association or corporation which are not in accordance with the terms of this Agreement. It shall, however, obey the order, judgment or decree of any court DOLE Secretary and the National Labor Relations Commission (NLRC) in the exercise of its appellate jurisdiction, arising from the enforcement of final judgment/resolution of cases involving recruitment violations or claims arising from employer-employee relationship duly adjudicated by the THIRD PARTY or NLRC, and it is hereby authorized to comply with and obey such orders, judgments or decrees and in case of such compliance, it shall not be liable by reason thereof to the parties hereto or to any other person, firm, association or corporation even if, thereafter, any such order, judgment or decree be reversed, modified, annulled, set aside or vacated;
- 13. The SECOND PARTY assumes no obligation or responsibility hereunder other than to hold the escrow deposit, keep the funds/monies invested or re-invested, and to release the same as herein provided. The SECOND PARTY shall not be bound by any agreement or contract between the FIRST PARTY and other parties, whether it has knowledge thereof or not, that will contravene its responsibilities hereunder;
- 14. The FIRST PARTY hereby agrees to indemnify and hold the SECOND PARTY free and harmless from any and all losses, damages, cost and expenses that may be incurred by it by reason of its compliance in good faith with the terms of this Agreement;
- 15. That the FIRST PARTY and the THIRD PARTY hold the ESCROW AGENT/SECOND PARTY free and harmless from any liability relating to its acts or performance as ESCROW AGENT in the absence of fraud, fault, negligence or bad faith on its part;
- 16. This Agreement shall not be altered or amended in any manner without the written consent of all parties hereto.
- 17. This supersedes the escrow agreement executed by the parties on _____.

IN WITNESS WHEREOF, the parties hereto have hereunder set their hands at the place first above written on this _____ day of _____ 200_____.

FIRST PARTY

THIRD PARTY

ESCROW AGENT/SECOND PARTY

SIGNED IN THE PRESENCE OF:

Republic of the Philippines)
_____) S.S.

ACKNOWLEDGEMENT

BEFORE ME, Notary Public for and in the City of _____, on this ____ day of _____ 2 ____ personally appeared:

Name	CTC No.	Place/Date Issued
_____	_____	_____
_____	_____	_____
_____	_____	_____

known to me and to me known to be the same persons who executed the foregoing Escrow Agreement and acknowledged to me that the same is their free and voluntary act and deed and that they are authorized to represent their respective agency/office.

This instrument consisting of four (4) pages including this page whereon the notarial acknowledgement is written and has been signed on each and every page by the parties and their respective witnesses refers to an Escrow Agreement.

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

NOTARY PUBLIC

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