

CONTRACT FOR CONSULTANCY SERVICES

THE PUBLIC IS INFORMED:

This CONTRACT is executed between:

The **BASES CONVERSION AND DEVELOPMENT AUTHORITY**, a government instrumentality vested with corporate powers, created by virtue of Republic Act No. 7227, as amended, with office and postal address at the **BCDA Corporate Center, 2/F Bonifacio Technology Center, 31st Street Corner 2nd Avenue, Bonifacio Global City, Taguig City**, represented herein by its President and Chief Executive Officer, **VIVENCIO B. DIZON**, who is duly authorized for this purpose in accordance with Section No. VIII, Subject No. 8.02 (2.c) of the BCDA's Revised Manual of Approval dated 05 August 2010, hereinafter referred to as "**BCDA**";

- and -

The **ISLA LIPANA & CO.**, a corporation created and existing by virtue of the laws of the Republic of the Philippines, with office and postal address at 29th Floor Philamlife Tower, 8767 Paseo De Roxas, Makati City, Metro Manila, Philippines, represented by its Tax Partner, **ROSELLE Y. CARAIG**, who is authorized for this purpose hereinafter referred to as "**CONSULTANT**";

(**BCDA** and the **CONSULTANT** are individually referred to as the "**PARTY**" and collectively as "**PARTIES**".)

- ANTECEDENTS -

BCDA is mandated by law to transform former military bases and properties into premier centers of economic growth.

In line with this undertaking, **BCDA** needs to hire a **CONSULTANT** to provide advice on possible tax risk and exposure which may arise from the implementation of said development projects. The advice of the **CONSULTANT** will help mitigate the risks involved in the projects and aid Top Management in its decision making.

The **CONSULTANT** has manifested his willingness to provide his services to **BCDA** under the Office of the Chief Financial Officer for Financial Services Group.

The services to be provided by the **CONSULTANT** is highly technical and/or primarily confidential on policy determining where trust and confidence is primary consideration.

NOW, THEREFORE, for and in consideration of the foregoing premises, and of the mutual covenants and stipulations hereinafter set forth, the Parties agree as follows:

SECTION 1. DESCRIPTION OF THE ENGAGEMENT

The **CONSULTANT** shall render consulting services to **BCDA** on the possible tax risk and exposure which may arise from the implementation of real estate and other development projects involving Metro Manila camps, former U.S. military bases, New Clark City and other identified DND/AFP military properties.

SECTION 2. TERM AND EFFECTIVITY OF THE CONTRACT

The **CONTRACT** shall be effective for a period of **TWELVE (12)** months from the date of the **CONTRACT** execution, renewable at the upon mutual agreement of the Parties, to commence from the date of its execution, unless sooner terminated by **BCDA** in accordance with Section 7 below.

SECTION 3. OBLIGATIONS OF THE PARTIES

The **CONSULTANT** shall:

1. Provide oral and/or summary reply to queries on tax matters peculiar to **BCDA's** operation;

The queries shall be regarding **BCDA's** possible tax risk and exposure related to the implementation of its development projects, pending tax issues before the local government, administrative and judicial bodies, and **BCDA's** overall business. The reply shall contain the supporting tax laws, rules/regulations and jurisprudence.

2. Disseminate to **BCDA** the monthly Client Advisory Letter (CAL);

The CAL contains new regulations, rulings and jurisprudence relating to generic tax issues. In this regard, application to **BCDA** will generally require further consideration and advice; and

3. Attend in meetings / teleconferences to discuss tax issues related to **BCDA's** business operation, asset disposition program and implementation of developmental projects.

Upon execution of this Contract, the **PARTIES** shall meet for a walk-through of the various activities involved in the development projects and have a preliminary discussion of identified issues, if any. During the said meeting, the **PARTIES** shall agree on the items/areas where **BCDA** needs advice, as well as the timeline within which the same shall be provided. Depending on the number and complexity of the issues involved, the **CONSULTANT** shall endeavor to provide a reply within five (5) working days from the meeting and submission of the necessary documents which may be requested.

Thereafter, the **PARTIES** shall meet quarterly to consider a pre-set agenda of matters of known or potential interest to **BCDA**. Such quarterly meetings shall likewise serve as brainstorming sessions on planned or ongoing transactions which may have critical tax implications and other potential tax planning opportunities.

At any time during the term and effectivity of this Contract, **BCDA** may contact the **CONSULTANT** via phone or email to raise additional issues on which the former needs advice or raise follow-up questions/clarifications on advice previously given. In case of follow-up questions/clarifications, **BCDA** shall do its best to bring it to the attention of the **CONSULTANT** within five (5) working days from the time the advice was provided.

In any case and taking into consideration the circumstances, **BCDA** agrees to give the **CONSULTANT** a reasonable period (i.e., within 24 to 48 hours, excluding weekends and holidays) to respond.

BCDA shall:

- 3.1 Provide the **CONSULTANT** information, resources and assistance including access to records, systems, premises and people required in the performance of the services
- 3.2 Communicate on a timely basis any changes in its circumstances that could affect the performance of this Contract.
- 3.3 Assign a **BCDA** personnel to oversee the following:
 - o Management decisions relating to the services;
 - o Use or implementation of the output of the services; and
 - o Determine whether the services are appropriate.

SECTION 4. TERMS OF PAYMENT

For services rendered under the agreement, **BCDA** shall pay the **CONSULTANT** a monthly retainer fee in the amount of **Twenty-Five Thousand Pesos (Php25,000.00)**, inclusive of 12% Value Added Tax (VAT). Payment shall be made within 15 days from submission of an invoice and other supporting documents.

Subject to prior written notice, the **CONSULTANT** is allowed to reimburse a monthly Out-of-Pocket Expenses (OPEs) in the maximum amount of **Three Thousand Seven Hundred Fifty Pesos (Php3,750.00)**, inclusive of 12% VAT. Payment shall be made upon submission of receipts/details of the OPE.

SECTION 5. DEGREE OF PERFORMANCE

The **CONSULTANT** is expected to perform his/her duties faithfully and to the best of his/her ability, and to comply with the scope of work with the highest standards of professional and ethical competence and integrity.

SECTION 6. CONFIDENTIALITY

- 6.1 The **CONSULTANT** shall not disclose any proprietary or confidential information relating to **BCDA** or to this contract without prior written consent from **BCDA**.
- 6.2 The **CONSULTANT** is obliged to follow information security procedures and take all reasonable precautions for the protection of Confidential Information.

- 6.3 This duty of Confidentiality binds any person which may be hired by the **CONSULTANT**, with consent of BCDA, to help in the fulfillment of the obligations under this Agreement.
- 6.4 Upon the termination or expiration of this Contract for any reason, **CONSULTANT** shall deliver to **BCDA** all of its property or Confidential Information, in tangible form, that the **CONSULTANT** may have in its possession or control.
- 6.5 Any conflict of interest or potential conflict of interest should be declared by the **CONSULTANT** immediately upon discovery.

SECTION 7. TERMINATION OF CONTRACT

- 7.1 For the duration of the CONTRACT, **BCDA** shall have the right to conduct a periodic evaluation of the **CONSULTANT's** performance, the services delivered and outputs submitted, as well as to terminate this Contract due to contractual breach, breach of trust, loss of confidence, unsatisfactory performance and/or other reasons detrimental to the interest of **BCDA**, subject to a notification in writing submitted by **BCDA** to the **CONSULTANT**.
- 7.2 Over the same period, the **CONSULTANT** may initiate the termination of this CONTRACT provided that:
- 7.2.1 A written notice for the termination of the consultancy agreement, stating the reasons for the termination of the contract is submitted by the **CONSULTANT** to the **BCDA** President and Chief Executive Officer for approval with a copy furnished to the **BCDA** Organizational Development and Management Department (ODMD), at least thirty (30) calendar days prior to the proposed date of termination; and
- 7.2.2 The written notice has been received, accepted and approved in writing by the **BCDA** President and Chief Executive Officer.

SECTION 8. AUTHORITY TO ENTER INTO AGREEMENT

The **CONSULTANT** shall neither have the right nor the authority to enter into agreements on behalf of **BCDA** in any manner.

SECTION 9. OWNERSHIP OF OUTPUTS

The outputs realized, produced and submitted by the **CONSULTANT** shall be owned and used solely by **BCDA** with proper acknowledgement on the contributions made by the **CONSULTANT**. Such outputs shall not be used for the benefit of any other party without the written permission of **BCDA**.

The **CONSULTANT** shall not sell, transfer, publish, disclose or otherwise make the work product available to third parties without **BCDA's** written consent.

SECTION 10. NO EMPLOYER-EMPLOYEE RELATIONSHIP

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It is understood that there shall be no employer and employee relationship between **BCDA** and the **CONSULTANT**, hence, **BCDA** shall not be responsible for complying with labor laws, rules and regulations governing employer-employee relationships in the Philippines.

SECTION 11. WAIVER

The failure of the PARTIES to insist upon the strict performance of any of the terms and conditions hereof shall not be deemed as a waiver of any right or remedy the other PARTY may have nor shall it be construed as a waiver of any subsequent breach of default. No waiver of any right stipulated herein shall be deemed to have been made unless expressed in writing and signed by the PARTIES.

SECTION 12. ENTIRE AGREEMENT

This CONTRACT, together with the attached terms of business ("Annex A"), constitutes the entire, full and complete agreement between the Parties concerning the subject matter hereof. All prior agreements or arrangements, written or oral, between the Parties relating to the subject matter hereof are hereby deemed cancelled and superseded.

No other representations has induced the Parties to execute this Contract, and there are no representations, inducements, promises, or agreements, oral or otherwise, between the parties not embodied herein, which are of any force or effect with reference to this Contract or otherwise.

SECTION 13. AMENDMENTS

No amendment, alteration, or variance from this Contract shall be binding on either party unless executed in writing by both parties, except for adjustments in compensation in the event of increase in the cost of services as provided under Section 4 hereof.

SECTION 14. SEVERABILITY AND CONSTRUCTION

Each paragraph, part, term and/or provision of this Contract shall be considered severable, and if for any reason, any paragraph, part, term and/or provision herein is determined to be invalid and contrary to, or in conflict with, any existing or future law or regulation, such as not impair the operation of or effect the remaining portions, sections, parts, terms and/or provisions of this Contract, and the latter shall continue to be given full force and effect and bind the Parties hereto. The invalid sections, parts, terms and/or provisions shall not be deemed part of this Contract.

All captions herein are intended solely for the convenience of the parties, and none shall be deemed to affect the meaning or construction of any provision hereof.

SECTION 15. VENUE OF ACTIONS

The venue of any legal actions arising out of this Contract shall be brought in the proper court of record in Taguig City, to the exclusions of other courts.



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IN WITNESS WHEREOF, the parties hereto hereby set their hands on 1 August 2018 at _____.

**BASES CONVERSION AND
DEVELOPMENT AUTHORITY**

ISLA LIPANA & CO

By:

VIVENCIO B. DIZON
President and Chief Executive Officer



Financial Management Services Department
CD2018-0622

By:

ROSELLE Y. CARAIG
Tax Partner

WITNESSES:

AILEEN AN R. ZOSA
Executive Vice President, BCDA

NEMA D. RADO
Chief Financial Officer, BCDA

BRANDO C. CABALSI
Tax Director, ISLA LIPANA & CO

Uncontrolled when printed or emailed

ACKNOWLEDGMENT

Republic of the Philippines)
TAGUIG CITY) S.S.

OCT 03 2018

BEFORE ME, a Notary Public in and for the above jurisdiction, this ___ day of _____, 2018, personally appeared the following:

NAME	GOVERNMENT ISSUED ID	DATE/PLACE ISSUED
VIVENCIO B. DIZON		
ROSELLE Y. CARAIG		

known to me and to me known to be the same persons who executed the foregoing instrument and each acknowledged to me that the same is their free and voluntary act and deed and of the corporations herein represented. This instrument consists of ___ pages including the page on which this Acknowledgement is written. It is a CONTRACT FOR CONSULTANCY SERVICES, and is signed or initialed on each and every page by the representatives of the parties and the witnesses.

OCT 03 2018

TAGUIG CITY

WITNESS MY HAND AND SEAL on the date and place first herein above written.

Doc. No. 497 :
Page No. 10 :
Book No. XXXV :
Series of 2018.

Melbrian Jerome E. Larano
ATTY. MELBIAN JEROME E. LARANO
Notary Public for Taguig, Roll No. 59294
Commission no. 26, until 31 Dec. 2019
PTR No. A-3693788/ 01.03.18 / Taguig City
IBP No. 1063530 / 11.23.17 / Cavite
MCLE Compliance No. V-0015571 / 03.14.16
3/F Bonifacio Technology Center 31st Street
corner 2nd Avenue Crescent Park West
Global City Taguig City, Philippines

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Terms of Business of Isla Lipana & Co./ PricewaterhouseCoopers Philippines

This document, together with the engagement letter to which it is attached (the "Engagement Letter"), form the contract (the "Contract") between you and Isla Lipana & Co./ PricewaterhouseCoopers Philippines (referred to as "We", "Us" and "Our").

The terms defined in the Engagement Letter have the same meaning in these Terms of Business.

1. Services

1.1 We will provide the Services described in the Engagement Letter (the "Services").

1.2 Our work will be based solely on the information provided by you or any third party nominated by you, the circumstances made known to us and the assumptions set out in our correspondence. You acknowledge that

1.2.1 we rely on you bringing to our attention as soon as possible any changes in the information as originally presented as it may impact on our advice.

1.2.2 information made available by you, or by others on your behalf, to, or which is otherwise known by, partners or staff of us who are not engaged in the performance of the Services shall not be deemed to have been made available to the individuals within PricewaterhouseCoopers who are engaged in the provision of the Services.

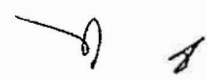
1.2.3 you will provide in a timely fashion all information and documents

reasonably required to enable us to provide the Services. Unless otherwise stated in the Engagement Letter, we will not independently verify the accuracy of such information and documents and we will not be liable for any loss or damage arising from any inaccuracy or other defect in any information or documents supplied by you.





1.3 Changes in the law and in interpretations may take place before our advice is acted upon or may be retrospective in effect. Unless specifically stated in the Engagement Letter, we accept no responsibility to inform you of changes in the law or interpretations affecting advice previously given by us.

1.4 We reserve the right to subcontract all or part of the Services to (1) any entity (whether or not incorporated) which carries on business under a name which includes all or part of the PricewaterhouseCoopers name or is otherwise within (or associated or connected with an entity within) or is a correspondent firm of the worldwide network of PricewaterhouseCoopers and their partners and employees (the "Affiliate") or (2) any appropriate third party specialist, as we deem appropriate. Subject to any contrary provision in the Contract, we will remain liable to you for any of the Services that are provided by our subcontractors.

Where you are using third parties, you will be responsible for the management of those third parties and the quality of their input and work.



Terms of Business of Isla Lipana & Co./ PricewaterhouseCoopers Philippines

- 1.5 Some of the matters on which we may be asked to advise may have personal tax implications for other persons or entities. However, we have no liability or responsibility to these other persons or entities or any other party unless we are specifically instructed to address these issues to such persons or entities and we agree to do so in writing.
- 1.6 **Timetable** We will use our best endeavours to carry out our obligations in accordance with the timetable set out in the Engagement Letter, or as otherwise agreed. However, unless both of us specifically agree otherwise in writing, the dates contained in the Engagement Letter are indicative dates intended for planning and estimating purposes only and are not contractually binding.
- 1.7 **Changes to services** Either of us may request changes to the Services as set out in the Engagement Letter or changes to any other aspect of the Terms of Business but no such changes take effect unless agreed in writing. Both of us agree to work together to enable both parties to assess the impact of any requested changes on the cost, timing or any other aspect of the Services.
-  2. **Reporting**
- 2.1 We will report to you in accordance with the terms set out in the Engagement Letter. Unless indicated in the Contract, you may make copies of any reports, letters, written opinions, memoranda, tax returns, etc. delivered to you as part of the Services (the "Deliverables") for your own internal use and benefit. We assume no responsibility of any kind in
- any circumstances to any person other than you in relation to any Deliverables or to the Services and we will not be responsible for any claim made against us by any person (other than you) that may suffer loss as a result of having placed reliance on the Deliverable(s) or the Services or our provision thereof.
- 2.2 You must not provide the Deliverables or copies of them to any third party without first obtaining our written consent. Our consent for you to provide copies of any such Deliverables to third parties will only be provided on the terms we deem appropriate which will include that we accept no duty or responsibility to any other party who may seek to rely on our Deliverables. Appropriate releases from third parties will also be required.
- 2.3 Notwithstanding any other provision of the Contract or any provision of another agreement or communication between you and us:
- 2.3.1. if you are an U.S. SEC registrant audit client or an affiliate of an U.S. SEC registrant audit client of a PricewaterhouseCoopers audit firm, then you and any of your agents may disclose to any person any information and materials relating to the tax treatment and tax structure of any transaction in respect of which we have provided tax Services; and
- 2.3.2 if our tax Services with respect to a transaction could give rise to a U.S. federal tax benefit within the meaning of the U.S. Income Tax Regulations section 1.6011-4 ("the Disclosure Regulations"), no
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conditions of confidentiality within the meaning of the Disclosure Regulations will apply, and you and any of your agents may disclose to any person any information and materials relation to the tax treatment and tax structure of the transaction.

- 2.4 In the event of a disclosure pursuant to clause 2.3.1 and 2.3.2:
- 2.4.1 you will provide us with (i) the name and address of the person to whom you have made the disclosure and (ii) a description of the information and materials so disclosed;
- 2.4.2 you will notify such person that, in the absence of an express written agreement by us to the contrary, (i) such person may not rely upon such information and materials and (ii) we have no liability or responsibility to such person with respect to such information and materials; and
- 2.4.3 you will use your best efforts to obtain such person's agreement to hold harmless and release PricewaterhouseCoopers, its partners, employees and Affiliates ("PwC"), their agents and subcontractors from any liabilities, losses, demands, costs, expenses and claims arising from such person's having access to, having relied on or having acted on any information or materials disclosed to such person by you.

3. Intellectual Property Rights

- 3.1 Intellectual property rights in all documentation, systems, materials, methodologies and processes brought to the assignment or created in the course of the assignment shall remain and be vested in us.
- 3.2 You must not use the PricewaterhouseCoopers name or logo on any website or in any public statement without first obtaining our written consent.

4. Fees and Payment

- 4.1 **How fees will be calculated** Fees for the Services will be charged on the basis set out in the Engagement Letter. Where the letter does not state the basis on which our fees will be charged, our fees will reflect time spent and such other factors as complexity, monetary values involved, specialist input required and the urgency and inherent risks of the matter.
- 4.2 **Fee estimates** Any fee estimate given by us, whether for planning or other purpose, will be given in good faith but will be subject to the stated caveats and assumptions and to any factors outside our control. We will advise you beforehand if it reasonably becomes apparent that the estimate is likely to be materially exceeded.
- 4.3 **Expenses** We will charge you for out of pocket expenses such as reasonable transportation, subsistence, stationery and supplies, communications and document handling costs (photocopying, printing, fax and courier, etc.) incurred in



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connection with the Services. Any special expense arrangements will be agreed and set out in the Engagement Letter.

4.4 **Taxes** You will be responsible for paying any taxes (such as applicable Value-Added Tax or VAT) in connection with the provision of the Services under this Engagement Letter at the rate in force at the date the liability arises.

4.5 **Payment of invoices** We will invoice you on a periodic basis unless otherwise set out in the Engagement Letter. All invoices will be due for payment upon your receipt thereof, unless otherwise provided in the Engagement Letter. We retain the right to suspend the provision of Services and to charge a commercial rate of interest on accounts that are overdue by more than one month. We shall also be entitled to recover from you our reasonable costs (including, but not limited to, legal costs and disbursements on a full indemnity basis) in collecting any outstanding amounts from you.

5. Term and Termination

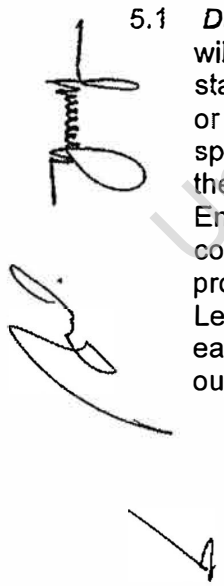
5.1 **Duration of contract** This Contract will apply from the commencement date stated in the Engagement Letter, if any, or where no commencement date is specified, from the date of acceptance of the Contract as specified in the Engagement Letter. This Contract will continue until the Services have been provided as stated in the Engagement Letter, or the Contract is terminated earlier in accordance with the terms set out below.

5.2 **Termination** This Contract may be terminated by either party by written notice if either party fails to remedy a material breach of these Terms of Business. Otherwise the contract may be terminated by either party provided 30 days written notice of such termination is given. Where the engagement is terminated, you will pay us for all Services provided up to the date of termination.

6. Confidentiality and Disclosures

6.1 **Client confidentiality** To afford the maximum protection to your confidential interests, all our employees are covered by an employment contract, which contains a clause strictly forbidding the unauthorized disclosure of information.

6.2 **Protection of confidential information** All data relating specifically to the Client's business and any other information which reasonably should be understood to be confidential to the Client are confidential information of the Client ("Confidential Information"). PwC will use Confidential Information only in relation to the provision of the services provided by PwC to the Client ("the Services") and will not disclose such Confidential Information to any third party without the Client's prior written consent, and without the prior approval of the designated representative of the President of the Philippines unless they are covered by limited exceptions as provided in Presidential Decree 1718. In the event that the purpose of disclosure is not covered by the exceptions, we will undertake to obtain the required consent from the appropriate government office before complying with the same, but



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assume no responsibility in the event that the authorization is not granted at all or obtained within the required period of time., save as provided in clauses 6.3 and 6.4 below PwC will take reasonable measures to protect the confidentiality of the Confidential Information and to advise its agents and employees of the confidential nature of the Confidential Information and of the terms of this agreement.

6.3 Scope of confidentiality obligations

PwC will not be obligated to treat as confidential any information disclosed by the Client which: (i) is rightfully known to PwC prior to its disclosure by the Client; (ii) is released by the Client to any other person or entity without restriction; (iii) is independently developed by PwC without any use of or reliance on Confidential Information; (iv) is in or enters the public domain without breach of this confidentiality obligation; (v) or may be lawfully obtained by PwC from any third party.

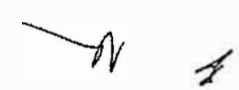
6.4 Possible disclosures of confidential information

6.4.1 In relation to engagements and the provision of services PwC Firms ("PwC Firm" means a member of the PricewaterhouseCoopers global network of firms, each of which is a separate and independent legal entity) may share Confidential Information where necessary with contractors, subcontractors and agents also in the same PwC global network, involved in the

provision of services, such as in the context of international assignments or audits involving multiple PwC Firms. For example, the group auditor may need to be informed about the results of the audit work performed by PwC Firms on the financial statements of subsidiaries for group reporting purposes. Similarly, on non-audit engagements involving multiple PwC Firms Confidential Information may be shared in the context of such engagements.

6.4.2

Due to regulatory, risk management and quality review requirements PwC may disclose Confidential Information, including information subject to privilege, (i) to third parties such as professional advisers and insurers, and (ii) to national and international regulatory bodies, a court in criminal, civil or other litigation, or to other third parties as may be required by law, statute, rule or regulation, including any subpoena, discovery demand in litigation or other similar form of process, professional standards and obligations, and including any foreign law, statute, rule or regulation as long as it is determined by us to be applicable to a PwC Firm, provided prior written approval of the designated



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representative of the President of the Philippines and consent of the client is obtained. A PwC Firm may also share Confidential Information with other PwC Firms for independence, risk management and quality review purposes.

- 6.4.3 For certain other business purposes as part of our *Connected Thinking* philosophy, PwC Firms share knowledge with each other. Only by sharing knowledge, which may include Confidential Information, can PwC maintain and develop further the breadth and depth of its expertise. Confidential Information may also be transferred for various business purposes including relationship management, account management, internal financial reporting, provision of IT services (including among others storage, hosting, maintenance, support) and outsourcing services, both to PwC Firms and to service providers we use.

To the extent that the working relationship between the parties also involves the Client disclosing information held by its affiliates or involves disclosures by such affiliates of information directly to PwC or any PwC Firm, the Client authorises the information sharing and

disclosures as provided in clause 6.4 above and confirms that it has authority to act as agent for its affiliates.

- 6.5 **Disclosure required by law** Either of us will be entitled to disclose confidential information of the other to:

6.5.1 our respective insurers or legal advisors, or

6.5.2 a third party to the extent that this is required by law, by any court of competent jurisdiction, or by a governmental or regulatory authority, or where there is a legal right, duty or requirement to disclose, provided that (and without breaching any legal or regulatory requirement) and where reasonably practical, not less than 2 business days notice in writing is first given to the other party. The parties agree to cooperate with each other in any effort to assert any privilege with respect to such information, provided the other party agrees to hold the disclosing party harmless from and be responsible for any costs and expenses resulting from such assertion.

6.6 **Data protection**

- 6.6.1 **Processing of personal data**
The Client agrees that PwC may collect, store, disclose and transfer internationally personal



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data, including sensitive personal data, relating to the Client's employees, contractors, clients and other individuals, for the same purposes as described in relation to disclosures of Confidential Information in clause 6.4, above.

When the Client provides personal data to PwC about its employees, contractors, clients and other individuals, the Client confirms that it has authority to act as their agent.

6.7 **Money laundering** If in the course of providing the Services our partners or staff know or suspect that anyone is involved in money laundering relating to serious crime, we may be required to report their knowledge/suspicions to relevant authority. Money laundering covers a wide range of acts relating to the proceeds of criminal conduct.

6.8 **Monitoring of communications** To the extent permitted by applicable law and rules, the Client agrees that PwC may monitor electronic communications for the purposes of ensuring compliance with PwC's legal and regulatory obligations and internal policies.

6.9 **Other disclosure** Notwithstanding the above, we may disclose information to any other Affiliate or use it for internal quality reviews.

6.10 Subject to 6.1 above, we may cite the performance of our Services to our clients and prospective clients, or include a reference in other electronic or printed

marketing materials or publications as an indication of our experience.

7. Liability

7.1 We will use reasonable skill and care in the provision of the Services.

7.2 We will accept liability without limit for any other liability which by law we cannot exclude.

Provided that nothing in this clause 7.2 in any way confers on you or any other person greater rights than you or any other person would otherwise have at law.

7.3 To the extent permitted by law, we exclude all warranties, conditions or terms, other than those expressly set out in these terms and conditions including, but not limited to, all warranties, conditions or terms implied in fact or by law. In no event will we be liable for any loss, damage, cost or expense arising in any way, directly or indirectly, from the delay in transit or loss of any document during delivery by means of ordinary post, registered mail or courier services.

7.4 Where we are not entitled to exclude a warranty, condition or term implied in fact or by law, and to the extent permitted by law, our liability for breach of any such warranty, condition or term is limited to:

(1) in the case of the Services, at our option, either the resupply of the Services or payment of the cost of having the Services resupplied; and

(2) in the case of documentary Deliverables or materials, at our

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option, either the resupply of the deliverables or materials or payment of the cost of having the Deliverables or materials resupplied.

7.5 In all instances, other than as set out in clauses 7.2 and 7.4, the total of our aggregate liability to you for loss or damage (including indirect and consequential loss or damage) caused by, or resulting from, or in relation to, the Services, including whether arising from breach of contract, negligence, or any other tort, in equity or otherwise, and whether we were advised of the possibility of such loss or damage, is limited to the fees payable to us by you for the portion of the services or work products giving rise to the liability.

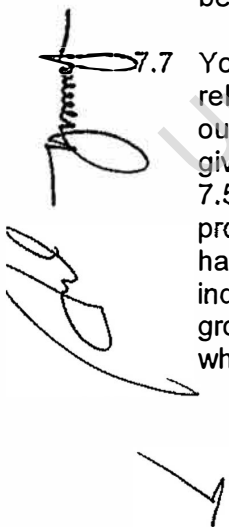
7.6 The remedies available and the liability we accept under this clause 7 are, to the extent permissible by law, the only remedies and the absolute limit of our liability arising under or in connection with this Contract. To the maximum extent permissible by law, all other liability is expressly excluded in particular, but without limitation, and subject to any valid liability under clauses 7.2, 7.4 and 7.5, liability for failure to realise anticipated savings or benefits.

7.7 You acknowledge and agree that in relation to the Services and this Contract our relationship is solely with you. To give effect to the liability cap in clause 7.5 ("the said liability cap") you will procure that no company in which you have an interest, whether directly or indirectly, and which forms part of any group of companies ("the Group") to which you belong, brings or enforces any

claim against anyone or more of us in respect of any liability subject to the said liability cap to the extent that the relevant claim or enforcement of claim (when taken with other such claims and enforcements and other amounts subject to the said liability cap which are or have been paid or payable) would cause the said liability cap to be exceeded. You will indemnify each of us to the extent that our liability to members of the Group, both while they are members of the Group and thereafter (in respect of liabilities expressed to be subject to the said liability cap), in total exceeds the said liability cap. This indemnity shall extend to legal and other costs and expenses, internal and external, incurred by any of us in respect of claims or enforcements that would cause the said liability cap to be exceeded.

7.8 You agree that if you make any claim against us for loss as a result of a breach of our contract, and that loss is contributed to by your own actions, then liability for your loss will be apportioned as is appropriate having regard to the respective responsibility for the loss, and the amount you may recover from us will be reduced by the extent of your contribution to that loss.

7.9 You agree that any such liability for any loss, damage, costs and expenses suffered or incurred by you and your employees/associates arising as a result of the provision of the Services would be the liability of us only and you undertake that you will, and you will procure that your employees/associates will, in no circumstances bring any action in respect of any such loss, damage, costs or expenses, whether arising in contract,



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tort or otherwise, against any of our partners, employees, agents or subcontractors (including Affiliates) or any of their respective employees, partners, agents or subcontractors.

7.10 You agree to indemnify and hold harmless PwC, their agents and subcontractors from and against any and all third-party claims, suits and actions and all associated damages, settlements, losses, liabilities, cost and expenses, arising from or relating to Services and/or Deliverables under this Contract, except to the extent finally determined to have resulted from our fraud or dishonesty.

8. Communications

8.1 During our performance of the Services we may wish to send messages and/or documents to each other by e-mail. As e-mail carries with it the possibility of inadvertent misdirection, or non-delivery of confidential material, unless you notify us otherwise you consent to the use of e-mail in accordance with clause 8.2.

8.2 Where messages are sent by e-mail, we will adopt the following procedures and require you to do likewise:

8.2.1 If sending a confidential e-mail message, the sender will indicate if a response is not wanted in an electronic form. All risks connected with sending by e-mail commercially sensitive information relating to your business are borne by you and are not our responsibility. If you do not accept this risk, you should notify us in writing that e-mail is not an

acceptable means of communication.

8.2.2 Both parties will carry out procedures to protect integrity of data, in particular, it is the recipient's responsibility to carry out a virus check on any attachments before launching any documents, whether received on disk or otherwise.

9. Documents

9.1 **Ownership of documents** Files and documents (including our working papers), created during the provision of the Services, belong to us and will remain under our power and control. It is not our practice to release or grant access to such papers other than in the context of due diligence investigations where we have received letters, in a form suitable to us, releasing us from liability. Documents coming into our possession or created when we act as a client's agent belong to the client and may be returned on request. We reserve the right to retain a copy of all such documents released to the client.

9.2 It is our policy to destroy documents belonging to us after they are more than seven years old.

9.3 Your acceptance of these terms includes your consent for us to destroy any documents that strictly belong to you which have been filed among our own papers.



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10. Exclusivity

10.1 We will not be prevented or restricted from anything in this Contract from providing Services for other clients.

11. General

11.1 **Entire agreement** This Contract, comprising the Engagement Letter and Terms of Business, forms the entire agreement between us relating to the Services. It replaces and supersedes any previous proposals, correspondence, understandings or other communications, whether written or oral.

11.2 **Severability** If any clause, or part thereof, of this Contract, is found by a court of competent jurisdiction or other competent authority to be invalid, unlawful or unenforceable, then such part will be severed from the remainder of this Contract, which will continue to be valid and enforceable to the fullest extent permitted by law.

11.3 **Representations** You acknowledge that we have made no warranties or representations in relation to this assignment other than those set out in these Terms of Business and the Engagement Letter.

11.4 **Assignment** Neither party may, nor have the power to, assign or otherwise deal with its rights or obligations under this Contract without the prior written consent of the other party, except that we may, without consent, assign or novate this Contract to a successor of that part of our business to which this Contract relates.

11.5 **Engagement Letter to take**

precedence In the event of any conflict between these Terms of Business and the Engagement Letter, the Engagement Letter will take precedence.

11.6 **Force Majeure** Neither of us will be liable to each other for any delay or failure to fulfil their obligation under the Contract to the extent that such delay or failure arises from causes beyond their reasonable control, including, but not limited to, fire, acts of God, acts or regulations of any governmental or supranational authority, war, terrorist activities, riot, strike, lockouts and industrial disputes.

12. Governing law

12.1 The validity, interpretation and implementation of this Contract shall be governed by the laws of the Philippines.

12.2 Any dispute arising in connection with this Contract shall be resolved in Philippine Courts.

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