

## SERVICE AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

11 AUG 2016

This Agreement, made and entered into this \_\_\_\_\_ day of \_\_\_\_\_  
at Makati City, Metro Manila, by and between:

PHILIPPINE BANK OF COMMUNICATIONS, a banking corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines with principal offices at PBCCom Tower, 6795 Ayala Avenue cor. V.A. Rufino St., Makati City, represented herein by its Vice President, MARIA MICHELE B. SO and Assistant Vice President, JOEL C. MUNIZ, and hereinafter referred to as the BANK;

-And-

MIGUEL CARLOS E. CASTILLO, Filipino, of legal age, and with business address at doing business under the name "COMPREHENSIVE CREDIT SERVICES INC.", and hereinafter referred to as the SERVICE PROVIDER.

Witnesseth: That-

WHEREAS, the BANK is engaged in the business, among others, of extending loan facilities secured by real estate/chattel mortgages, and in need of the services of an independent contractor to handle credit and background investigation services on loan, mortgage and credit applicants of the bank.

WHEREAS, the SERVICE PROVIDER represents that it is an independent contractor and it possesses the capability, competence and expertise, as well as the manpower and other resources necessary and required to undertake the above-mentioned services;

WHEREAS, on offer and acceptance made by one party to the other, the parties hereto have agreed to enter into this Agreement whereby the SERVICE PROVIDER shall render the aforementioned services subject to and under the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the foregoing premises and the warranties and covenants herein contained, the parties hereto hereby agree as follows:

### 1. SCOPE OF SERVICES

The SERVICE PROVIDER shall, at its own expense, provide the manpower, vehicles and other resources and works necessary and required to render the services described in ANNEX "A" entitled "SERVICES AND FEES," hereto attached and made an integral part hereof.

The SERVICE PROVIDER hereby represents and warrants that the services covered herein shall be delivered and discharged with dispatch and in strict and full compliance with the requirements of all applicable laws, rules or regulations, with the end view of ensuring at all times full protection of the interests of the BANK.

The SERVICE PROVIDER shall ensure and warrant that its background investigation personnel shall conduct actual ocular inspections, interviews and

investigations in connection with all referrals made by the CLIENT and that all reports required under this Agreement shall be rendered truthfully and correctly in every respect. The SERVICE PROVIDER warrants that all information and documents submitted to the CLIENT are all gathered from and accurately reflect Third Party sourced data and documents in accordance with instructions from the CLIENT.

## 2. SERVICE FEES

For and in consideration of the full and satisfactory performance of the services covered under this Agreement, the BANK hereby agrees to pay the SERVICE PROVIDER service fees in accordance with Annex "A" hereof.

Service fee shall be billed after completion of each job through a billing statement and shall be due and payable weekly on the day fixed by the BANK. For this purpose, the SERVICE PROVIDER shall maintain a deposit account with the BANK where payments for service fees will be credited.

It is understood and agreed that the fees herein agreed upon are fixed and shall not be subject to escalation or upward adjustment except upon mutual agreement between the parties hereto.

## 3. COMPLETION PERIOD

The SERVICE PROVIDER hereby agrees to accomplish the services covered under this Agreement per attached schedule below.

Tele-Verification	-	within 3 hours
Field Verification	-	
Metro Manila	-	4 hours
Provincial	-	see Annex A

The BANK can, from time to time and as the exigencies of the circumstances demand, require the SERVICE PROVIDER to accomplish certain assignments within a short period of time, and the SERVICE PROVIDER hereby agrees to undertake the same without additional charges.

## 4. REPRESENTATIONS AND WARRANTIES

The SERVICE PROVIDER hereby represents and warrants that:

- 4.1 It carries an independent service agency in the Philippines and that it performs its services on its own account, under its own responsibility and according to its own manner and method, free from control and direction of the BANK in all matters directly or indirectly connected with or related to the performance of the services under this Agreement except as to the result thereof;
- 4.2 It has paid all fees, complied with all the requisites and obtained all the permits and licenses required for its operations under the pertinent laws, rules or regulations, and that they are all valid and subsisting;
- 4.3 It has substantial capital, equipment, vehicles, tools and implement necessary and required to conduct and pursue its business operations; and
- 4.4 All personnel hired by it to undertake the services under this Agreement are qualified, well-screened, competent and achieved some degree of

expertise to perform said services, medically and psychologically fit, trustworthy, and adequate in numbers to be able to handle the work involved.

- 4.5 The SERVICE PROVIDER will not perform management functions, make management decisions, or act or appear in a capacity equivalent to that of a member of management or an employee of the BANK, and will comply with professional and regulatory independence guidelines.
- 4.6 It is duly registered as contractor with the Department of Labor and Employment (DOLE) pursuant to Section 11 of DOLE Department Order No. 18-02 (Series of 2002) implementing Articles 106 to 109 of the Labor Code of the Philippines, as amended.

## 5. NATURE OF RELATIONSHIP

It is hereby understood and agreed that hiring, recruitment, assignment and dismissal of the SERVICE PROVIDER's personnel are within the sole prerogative of the SERVICE PROVIDER and that BANK has no authority whatsoever to do the same. However, the BANK reserves the right to require the SERVICE PROVIDER to change or substitute any of the persons assigned by the SERVICE PROVIDER to render the services under this Agreement if, in the sole judgment of the BANK, said personnel is negligent, remiss in his duties, ill mannered, discourteous, unfit or for any other similar or analogous reasons.

This Agreement partakes of the nature of an independent contractor arrangement between the BANK and the SERVICE PROVIDER. As such, there is no employer-employee relationship that exist between the BANK and the employees of the SERVICE PROVIDER that have been assigned by the latter to perform the services covered under this Agreement. The SERVICE PROVIDER hereby acknowledges and confirms that said employees are and shall remain its employees only. In connection therewith, the SERVICE PROVIDER hereby warrants to fully and faithfully comply with all laws, rules and regulations pertaining to labor employment, which are now existing or which may hereafter exist including but not limited to the Labor Code of the Philippines, as amended. The SERVICE PROVIDER hereby holds the BANK, its directors, officers, employees or representatives free and harmless from any loss, damage or liability arising out of accidents that may befall the SERVICE PROVIDER's employees while performing the services under this Agreement as well as for any labor claims which the SERVICE PROVIDER's employees may file against BANK.

## 6. CONTRACTOR'S COVENANT

The SERVICE PROVIDER hereby undertakes as follows:

- 6.1 To answer directly to the BANK for any damage to or loss of the BANK's documents or those for which the BANK is responsible, that may be sustained by BANK due to the fault or fraudulent act/s or negligence of the SERVICE PROVIDER under this Agreement.
- 6.2 In case the documents, receipts or other papers held by the SERVICE PROVIDER for and in behalf of the BANK are lost or destroyed for any reason whatsoever while in the possession of the SERVICE PROVIDER, the SERVICE PROVIDER shall pay the BANK the cost of replacing copies of the lost items or reconstituting the same, without prejudice to the obligation or liability of the SERVICE PROVIDER to indemnify the BANK for any and all damages which the latter may have been suffered

or paid or shall suffer or pay arising from such loss, and the right of BANK to file whatever appropriate legal action against the SERVICE PROVIDER and/or its employees responsible therefore.

- 6.3 The SERVICE PROVIDER undertakes to maintain audit reports and related working papers/files for at least five (5) years. The SERVICE PROVIDER will furnish the BANK copies of related working files/papers the BANK deems necessary, and any information pertaining to the BANK must be kept confidential.

## 7. PERFORMANCE BOND

As security for the faithful performance of any and all obligations of the SERVICE PROVIDER under this Agreement, the latter shall put up in favor of the BANK a performance bond in the amount of PhP200,000.00 to be issued by a reputable bonding company acceptable by the BANK. The performance bond shall answer for any and all damages or losses that the BANK may suffer arising from any violation of the terms and conditions of this Agreement.

## 8. CONFIDENTIALITY

**8.1 Use of Confidential Information.** - The SERVICE PROVIDER shall treat all information to which it shall have access in relation to the Agreement ("Confidential Information") as confidential in nature and shall use the same only for the purpose of complying with its obligations under the Agreement. The SERVICE PROVIDER shall not, directly or indirectly, publish, disclose or use the same otherwise than for the purposes of the Agreement. Access to, disclosure and use of said information shall at all times be held in utmost secrecy and confidentiality and in accordance with Republic Acts 1405 and 8791 and all other applicable laws.

**8.2 Solidary Liability with Agents, etc.** - The SERVICE PROVIDER shall ensure that its agents, advisers, contractors, consultants, directors and employees are aware of and observe the provisions of this Article. The SERVICE PROVIDER shall be solidarily liable with its agents, advisers, contractors, consultants, directors and employees for any act or omission of the latter in violation of the Agreement. In the event of such violation, the SERVICE PROVIDER's solidary liability shall extend, but shall not be limited to, paying the damages incurred by the clients of the BANK and reimbursing the BANK the costs of defending itself from suits on claims by its clients of violations/breach of this confidentiality clause.

**8.3 Return of Confidential Information.** - Upon termination of the Agreement and without need of written demand from the BANK, the SERVICE PROVIDER shall surrender to the BANK all copies of written or machine readable materials considered as Confidential Information which may come in the possession of the SERVICE PROVIDER as a result of the Agreement.

**Exceptions.** The following information shall not be considered as Confidential Information:

- a. that which is known to the SERVICE PROVIDER at the time of disclosure by the BANK, except if it became known as a result of the entry into or performance by the SERVICE PROVIDER of any other transaction/s with the BANK;
- b. that which is available to the public or which becomes available to the public through no fault of the SERVICE PROVIDER;

- c. that which was rightfully acquired by the SERVICE PROVIDER from a third party who was not in violation of an obligation of confidentiality in disclosing it to the SERVICE PROVIDER;
- d. that which has been independently developed by the SERVICE PROVIDER; or
- e. that which has been approved for release with the written authorization of the BANK.

8.4 **Acceptable Disclosure.** - The restrictions set out in Article 8.1 shall not prohibit the SERVICE PROVIDER from disclosing information to any employee, financial adviser, lawyer, insurer or auditor its legal, financial and other necessary advisers, employees, insurer and auditors who has a need to know the information provided that the SERVICE PROVIDER shall secure their conformity to the confidentiality obligations herein.

8.5 **Term.** - Neither party shall disclose the Confidential Information obtained in the course of each party's performance of its obligations under the Agreement or any modification, renewal, or extension thereof. This clause shall survive the termination of the Agreement.

8.6 **Breach.** - SERVICE PROVIDER agrees that the BANK shall be entitled to legal and equitable relief in the event of a breach of the provisions of the Agreement and further agrees to pay all costs of such actions, including attorney's fees and court costs.

## 9. SEGREGATION OF DATA

The SERVICE PROVIDER shall maintain all files, documents, information and data relating to this Agreement separate from the files, documents, information and data relating to the SERVICE PROVIDER's own operations or its other clients.

## 10. ACCESS TO INFORMATION AND OPERATIONS

The SERVICE PROVIDER acknowledges that its operations and financial information regarding the outsourced activities under this Agreement is subject to the review and examination of both the internal and external auditors of the BANK as well as the examiners of the BSP. Such review shall be conducted only during reasonable hours and may or may not be preceded by notice. The SERVICE PROVIDER further acknowledges the need to immediately take the necessary corrective measures in coordination with the BANK whenever findings and recommendations are rendered as a result of such examination(s).

## 11. BUSINESS CONTINUITY PLAN & DISASTER RECOVERY

**Parties' Commitment.** The BANK and the SERVICE PROVIDER shall establish, maintain, monitor and evaluate on a regular basis a fully functional disaster / emergency recovery sites. The disaster recovery site/s shall be placed into operation in the event that either operations at the BANK and the SERVICE PROVIDER's primary business locations cannot be accessed or restored within 72 hours. Commission of the respective disaster recovery sites following a disaster, is at the discretion of each party's crisis management teams. A copy of the Business Continuity Plan is hereto attached as Annex "B".

A disaster or emergency shall include but not be limited to earthquakes, fires, flood, wars, civil or military disturbance, riots, labor disputes and similar contingencies beyond the control of the parties.

## **12. TRANSITION IN THE EVENT OF CHANGE IN OWNERSHIP**

The SERVICE PROVIDER acknowledges its responsibility to continue performing its obligations under this Agreement notwithstanding change in the ownership of its shares, assignment or attachment of its assets, or the rendering of a judgment of insolvency or the appointment of a receiver, until such time that the BANK is able to hire the services of another service provider or put in place the necessary measures to handle the outsourced activities under this Agreement. The SERVICE PROVIDER shall give full cooperation and support to the BANK including the transition assistance in order to assure an orderly and efficient transfer of the outsourced activities from the SERVICE PROVIDER to another.

The SERVICE PROVIDER shall promptly inform the BANK of the occurrence of any of the events/conditions enumerated above.

## **13. ASSIGNMENT**

The SERVICE PROVIDER shall not transfer or assign any or all of its right and obligations under this Agreement without prior written consent of the BANK and prior approval of the Bangko Sentral ng Pilipinas.

## **14. AMENDMENT AND PRE-TERMINATION**

The Agreement may be amended only upon written agreement of the parties. Either party may pre-terminate the Agreement upon a prior written notice of at least thirty (30) days prior to the effectiveness date of the pre-termination.

In the event that the SERVICE PROVIDER commits a material breach, SBA can immediately demand pre-termination of the Agreement.

In case of termination of this Agreement, SERVICE PROVIDER shall render a final report on the status of all pending accounts covered under this Agreement. This report shall be submitted to the BANK within a period of fifteen (15) days after the date of effectiveness of the termination.

## **15. EFFECTIVITY OF AGREEMENT**

This Agreement is on a "non-exclusive" basis and shall become effective immediately upon signing hereof and continue and remain to be valid and binding upon the parties from date hereof unless terminated by either party in accordance with paragraph 14 of this Agreement.

## **16. VENUE OF ACTIONS**

All actions arising out of this Agreement shall be filed only before the proper courts of Makati City. All other venues are hereby expressly and willingly waived.

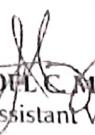
11 AUG 2016

IN WITNESS WHEREOF, the parties hereto have set their hands this    day of  
at CITY OF MANILA

PHILIPPINE BANK OF COMMUNICATIONS

By:

  
**MARIA MICHELE B. SO**  
Vice President

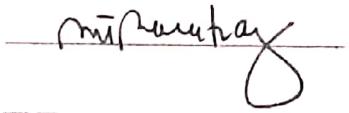
  
**JOEL C. MUNIZ**  
Assistant Vice President

COMPREHENSIVE CREDIT SERVICES INC

By:

  
**MIGUEL CARLOS E. CASTILLO**  
Managing Director/President

SIGNED IN THE PRESENCE OF:



ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)  
CITY OF MAKATI ) S. S.

CITY OF MANILA 11 AUG 2016

BEFORE ME, a Notary Public for and in the City of CITY OF MANILA on this     
day of CITY OF MANILA, personally appeared the following:

NAME	COMPETENT EVIDENCE OF IDENTITY	PLACE/DATE OF ISSUE
Philippine Bank of Communications represented by: Maria Michele B. So Joel C. Muniz	SSS No. 33-2603988-8 TIN No. 107-196-898	

Comprehensive Credit Services Inc  
represented by:

Miguel Carlos E. Castillo

known to me and to me known through competent evidence of identity to be the same persons who have executed the foregoing instruments and have acknowledge before me that the same as their own free and voluntary act and deed and the free voluntary act and deed of the corporation herein represented.

This instrument refers to a **SERVICE AGREEMENT** consisting of seven (7) pages, including this page on which this acknowledgement is written, which has been signed by the parties and their instrumental witnesses on each and every page hereof.

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

Doc No. : 151  
Page No. : 51  
Book No. : 47  
Series of 2016.

ATT NOTARY PUBLIC CABREIM

Notary Public for Manila  
Notarial Commission No. 2015-030  
Until December 31, 2016  
Roll No. 26047  
PTR No. 4806571 / 1-4-16 / Manila  
IBP Life Member 05097  
MCLE No. V-0003138 / 7-26-14

ANNEX A. SERVICES AND FEES

AREA	TAT	Per Report VAT INC for NCR Only
Luzon		
NCR		
Makati		
Mandaluyong		
Manila		
San Juan		
Pasig		
Marikina		
Quezon		
Caloocan	4 hrs.	Php 350.00
Malabon		
Navotas		
Valenzuela		
Pasay		
Paranaque		
Taquig		
Pateros		
Muntinlupa		
Las Pinas		
Cavite Region IV-A		
Bacoor		
Imus		
Kawit		
Noveleta		
Rosario		
Tanza		
Cavite Region IV-B		
Cavite City		
Naic		
Trece Martires		
General Trias		
GMA		
Dasmariñas		
Camona		
Cavite Region IV-C		
Temate		
Silang		
Amadeo		
Mendez		
Tagaytay		
Alfonso		

Maragondon		
Indang		
Magallanes		
Gen. Emilio Aguinaldo		
Rizal Region IV-A		
Cainta	6 hrs.	Php546.00
Taytay		
Antipolo		
Rizal Region IV-B		
Angono	6 hrs	Php738.00
Binangonan		
Cardona		
Morong		
Teresa		
San Mateo		
Baras		
Tanay		
Pililia		
Jala Jala		
Montalban		
Laguna Region IV-A		
San Pedro	8 hrs	Php546.00 Php714.00
Binan		
Sta Rosa		
Cabuyao		
Laguna Region IV-B		
Calamba	8 hrs.	Php906.00
Los Banos		
Bay		
Calauan		
Victoria		
Nagcarlan		
Rizal		
San Pablo		
Alaminos		
Laguna Region IV-C		
Liliw	8 hrs.	Php948.00
Majayjay		
Cavinti		
Luisiana		
Magdalena		
Sta Cruz		
Pagsanjan		
Lumban		
Kalayaan		
Paete		
Pakil		
Pangil		
Mabitac		
Famy		
Sinuluan		
Sta Maria		
Quezon Region IV-A		

San Antonio			
Tiaong			
Dolores			
Sariaya			
Candelaria			
Lucban	8 hrs.	Php1,476.00	
Tayabas			
Pagbilao			
Sampaloc			
Lucena			
Mauban			
Polilio Island		Php 4, 500.00	
Quezon Region IV-B			
Alimonan		Php1,578.00	
Padre Burgos			
Agdangan			
Unisan			
Plaridel			
Gumaca			
Pilogo		Php1,818.00	
Maca Lelon			
Gen. Luna			
Catanauan			
Mulanay	8 hrs.	Php1,938 00	
San Francisco			
San Andres			
San Narciso			
Buena Vista			
Guinayangan			
Lopez			
Calauag			
Tagkawayan			
Alabat			
Perez			
Aurora		Php2,500 00	
Aurora Baler		Php3,500.00	
Balangas Region IV-A			
Sto. Tomas			
Tanauan			
Malvar			
Talisay			
Laurel			
Balete			
Lipa City			
Mataas na Kahoy	8 hrs.	Php1,050.00	
Lian			
Nasugbu			
Balayan			
Calaca			
Tuy			
Lemery			
Taal			
Sta Teresita			
Alitagtag			
Cuenca			
San Jose	1 day	Php1,050.00	
San Luis			
Bauan			
San Pascual			

Batangas City		
Ibaan		
Rosario		
Padre Garcia		
Taysan		
Balangas Region IV-B		
San Juan		
Mabini		
Calatagan	1 day	Php1,356.00
Lobo		
Oriental Mindoro		Php 5,000.00
Occidental Mindoro		Php 5,000.00
Palawan		Php 7,000.00
El Nido Palawan		Php 8,000.00
Marinduque		Php 5,500.00
Romblon		Php 5,000.00
Bicol Region V		
Camarines Sur		
Naga		
Pili		Php2,820.00
Iriga City		
Legazpi		Php3,060.00
Albay		Php3,800.00
Catanduanes		Php4,700.00
Sorsogon		Php4,860.00
Masbate		Php5,000.00
Region III - Central Luzon	1 day	
Bulacan		Php738.00
Pampanga		Php786.00
Tarlac		Php786.00
Zambales		Php1,620.00
Bataan		Php1,620.00
Nueva Ecija		Php786.00
Cordillera Admin Region		
Benguet		Php1,320.00
Baguio		Php1,560.00
Ifugao		Php1,800.00
Mountain Province		Php2,340.00
Kalinga		Php2,340.00
Abra		Php2,340.00
Apayao		Php2,340.00
Region II - Cagayan Valley	2 days	
Nueva Vizcaya		Php2,154.00
Quirino		
Isabela		Php2,274.00
Cagayan		
Tuguegarao		Php2,274.00
Region I - Ilocos/Pangasinan		
Pangasinan		Php954.00
La Union		Php984.00
Ilocos Sur		Php2,394.00

Ilocos Norte		Php2,394.00
WESTERN VISAYAS		
Aklan	2 days	
Capiz		Php1,982.00
Iloilo		Php1,134.00
Antique		Php1,362.00
Guimaras		Php1,362.00
Negros Occidental		Php1,134.00
Bacolod		
Talisay		Php1,362.00
Victoria		
Cadiz		
Sagay		Php1,410.00
Bago		
La Carlota		
San Carlos		
Kabankalan		Php1,494.00
CENTRAL VISAYAS	1 days	
Bohol		Php1,140.00
Cebu		
Danao		
Lapu-Lapu		Php954.00
Mandaue		
Toledo		
		Php2,160.00
EASTERN VISAYAS	2 days	
Samar		Php 5, 700.00
Ormoc Leyte		Php 5, 000.00
Southern Leyte		Php 7, 000.00
MINDANAO	2 days	
Misamis Oriental		
Cagayan De Oro		Php630.00
Gingoog		Php894.00
Agusan Del Norte		
Butuan		Php2,160
Agusan Del Sur		
Properidad		Php1,374.00
Surigao Del Sur		
Tandag		Php2,130.00
Lanao Del Norte		
Tubod		Php1,080.00
Ilagan		
Bukidnon		Php1,194.00
Malanbalay		Php1,014.00
Lanao Del Sur (ARMM)		
Marawi		Php1314.00
Misamis Occidental		
Oroquiela		Php1794.00
Ozamis		Php2,754.00
tangub		
Zamboanga Del Norte		
Dipolog		Php2,994.00
dapitan		
Zamboanga Del Sur		
Pagadian		Php2,034.00
Zamboanga City		Php2,394.00

Davao del Sur		Php894.00
Davao city		Php660.00
Digos		
Davao del Norte		
Tagum		Php720.00
Compostela Valley		
Nasunturan		Php900.00
Davao Oriental		Php2,400.00
Mati		Php840.00
North Cotabato		
Kidapawan		Php1,218.00
South Cotabato		
Koronada		
General Santos		Php1,794.00
Sarangani		
Alabel		Php1,914.00
Sultan Kudarat		
Maguindanao		
Shariss Aguak		Php2,094.00

**NOTES:**

1. The rate will be doubled for RUSH reports, i.e. reports that needed before the agreed TAT
2. CCSI shall have the option to refuse CI jobs in areas that are classified as "DILCO" (Difficult Living Conditions), provided that the client is immediately informed. DILCO accounts are those that are in depressed areas, flood prone areas, NPA infested areas and other areas where it would be hazardous for the health and safety of both the Subject / Loan Applicant and the Credit Investigator to be.

Rate Proposal for FTE

<b>Applicable Daily Rate</b>	<b>491.00</b>
<b>Direct Cost (VATable)</b>	<b>13,504.42</b>
<b>Basic Salary (monthly)</b>	<b>10,802.00</b>
<b>13<sup>th</sup> Month Pay</b>	<b>900.17</b>
<b>5 days Incentive Leave</b>	<b>204.58</b>
<b>5 days Vacation Leave</b>	<b>204.58</b>
<b>5 days Sick Leave</b>	<b>204.58</b>
<b>Contractor's Margin</b>	<b>85.00</b>
<b>Outing</b>	<b>85.00</b>
<b>Christmas Groceries</b>	<b>85.00</b>
<b>TOTAL DIRECT COST</b>	<b>12,485.92</b>
<b>Govt. Dues (Non-VAT):</b>	
<b>SSS</b>	<b>783.50</b>
<b>Philhealth</b>	<b>125.00</b>
<b>ECC</b>	<b>10.00</b>

SSS

Philhealth	783.50
ECC	125.00
PAG-IBIG	10.00
TOTAL INDIRECT COST:	100.00
TOTAL ACTUAL COST:	1,018.50
Admin Fee	13,504.42
Other Charges	1,350.44
TOTAL MONTHLY COST:	3,145.14
TOTAL MONTHLY COST: 18,000.00	

Rates are subject for 12% VAT

\*Holiday's not included.

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