

CONTRACT FOR CONSULTANCY SERVICES

KNOW ALL MEN BY THESE PRESENTS:

This Contract, by and between:

PHILIPPINE DEPOSIT INSURANCE CORPORATION, a government instrumentality created and existing by virtue of Republic Act No. 3591, as amended, with principal office at SSS Building, 6782 Ayala Avenue, Makati City, represented herein by its General Counsel, **ROMEO M. MENDOZA, JR.**, hereinafter referred to as the "**PDIC**"

-and-

CRISTINE C. REMOLLO, Filipino, of legal age, married, with residence and postal address at No. 123 Gomez corner Bonifacio Sts., Ayala Southvale Village, Bacoor, Cavite, hereinafter referred to as the "**CONSULTANT**"

WITNESSETH: That

WHEREAS, one of the key objectives of **PDIC** is to secure congressional approval to certain amendments to Republic Act Number 3591 which will enhance **PDIC**'s efficiency in carrying out its mandate as statutory insurer, receiver and co-regulator of banks;

WHEREAS, **PDIC** needs the assistance of a consultant who is well-versed in the intricacies of the legislative process and in developing a legislative action plan for **PDIC**'s proposed amendments and in coordinating with members of Congress and their teams to ensure support for **PDIC**'s proposals as **PDIC** seeks the filing and passage of its proposals in Congress;

WHEREAS, the **CONSULTANT** has represented herself as qualified and capable of performing the required services and has expressed willingness to render these services;

WHEREAS, Section 53-7 of the Implementing Rules and Regulations (IRR) of R.A. No. 9184 authorizes the negotiated procurement of consultants for work that is highly technical or primarily confidential;

WHEREAS, the Bids and Awards Committee (BAC) recommended to engage the services of the **CONSULTANT** by negotiated procurement in accordance with Section 53-7 of the IRR of RA No. 9184 through BAC Resolution No. 14 - 04 dated January 30, 2014;

WHEREAS, the President of **PDIC** approved the recommendation of the BAC for **PDIC** to avail of the technical expertise of the **CONSULTANT** to assist **PDIC** in attaining its objective of introducing pertinent amendments to its Charter;

NOW, THEREFORE, for and in consideration of the foregoing premises, **PDIC** and the **CONSULTANT** hereby agree as follows:

I. OBLIGATIONS OF THE CONSULTANT

The **CONSULTANT** hereby agrees to efficiently and effectively devote her technical skills and expertise, undivided attention and the best of her ability in the performance of the duties enumerated hereunder:

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1. Formulate and recommend a strategy and action plan for the filing and successful passage of **PDIC's** legislative initiatives;
2. Conduct liaison work with members of Congress and their teams as well as concerned government agencies and other stakeholders in seeking support for **PDIC's** legislative initiatives;
3. Assist in the drafting of the language of **PDIC's** proposed amendments;
4. Represent and protect the interest of **PDIC** in meetings with external parties regarding **PDIC's** legislative initiatives;
5. Maintain at all times the confidentiality of any and all information, records and documents obtained by reason of the appointment as a consultant and the assigned duties;
6. Attend meetings as may be deemed necessary to perform the foregoing duties and responsibilities, including, but not limited to, meetings in Congress and bank associations regarding the deliberations of pending bills and other concerned government agencies affecting **PDIC's** mandates, and promptly communicate to the designated officer the result of such meetings, particularly urgent and serious matters that may impact on the proposed Charter amendments and the overall strategy;
7. Identify and promptly recommend to **PDIC** the documents necessary to support **PDIC's** legislative initiatives;
8. Prepare and report monthly and quarterly status reports on activities performed and accomplishments;
9. Comply with all **PDIC** rules, regulations and code of ethics regarding contractual employment, including those which may be issued during the term of this engagement;
10. Shall not, without the prior written consent of **PDIC**, directly or indirectly enter into the service of any person, firm, entity, corporation or government agency, which may be in conflict with the duties under this Contract;
11. Undertake and perform such other duties as **PDIC** may assign from time to time.

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II. DELIVERABLES

The **CONSULTANT** shall submit the following to **PDIC**:

1. Strategy and action plan for the filing and successful passage of **PDIC's** legislative initiatives;
2. Review of presentations to different stakeholders to explain Charter amendments;
3. Recommendation as to documents needed to support **PDIC's** proposals and strengthen the rationale for **PDIC's** legislative initiatives;

4. Results of liaison work with members of Congress and their teams as well as concerned government agencies and other stakeholders in seeking support for **PDIC**'s legislative initiatives;
5. Monthly and quarterly status reports on activities performed and accomplishments.

III. OFFICE

The **CONSULTANT** shall hold office at the **PDIC** offices at such times and circumstances as may be deemed necessary by **PDIC**. Her office and furnishings together with the necessary clerical and support services shall be provided by **PDIC**.

IV. WORK HOURS/DAYS

The **CONSULTANT** shall report for office as much as possible from Monday to Friday and shall adopt a work schedule as may be deemed necessary in the effective discharge of her duties and responsibilities under this Contract, but must render at least twenty (20) hours of consultancy work per week. The **CONSULTANT** shall inform **PDIC** in advance of any intention to go on continuous leave of absence for at least two (2) weeks.

V. REPORTING

The **CONSULTANT** shall report directly to the Chair of the Committee created under Office Order Number 119 dated July 26, 2013.

VI. COMPENSATION AND OTHER BENEFITS

For and in consideration of the services rendered, the **CONSULTANT** shall receive a monthly compensation of **ONE HUNDRED THOUSAND PESOS (P100,000.00)**, Philippine Currency, net of taxes, payable on a monthly basis simultaneous with **PDIC** payroll. All applicable taxes shall be remitted by **PDIC** to the Bureau of Internal Revenue pursuant to the provisions of the National Internal Revenue Code, as amended. The **CONSULTANT** shall be entitled to reimburse actual expenses to carry out her mandate, subject to the submission of official receipts. The **CONSULTANT** shall also be authorized to use a **PDIC** vehicle to attend meetings to pursue her assignments.

VII. PERIOD OF ENGAGEMENT

The Contract shall be for a period of **six (6) months** effective upon the execution of this Contract and renewable at the sole option of **PDIC**, after review by **PDIC** Management of the **CONSULTANT's** performance under this Contract and upon confirmation of the **PDIC** Board of Directors.

The **CONSULTANT** may preterminate this contract by giving **PDIC** and the **BANK** a written notice at least thirty (30) days prior to the intended date of termination. **PDIC** likewise reserves the right to preterminate this contract by giving at least thirty (30) days written notice to the **CONSULTANT**.

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VIII. NO EMPLOYER-EMPLOYEE RELATIONSHIP

It is expressly agreed that there is no employer-employee relationship between **PDIC** and the **CONSULTANT**, it being understood that the **CONSULTANT** is an independent contractor.

IX. PERFORMANCE SECURITY

To guarantee the faithful performance of the **CONSULTANT** of her obligations as well as the terms and conditions of the engagement, the **CONSULTANT** shall, upon signing of the contract, post a performance security in any of the following forms: (1) Cash or Manager's/Cashier's Check issued by a Universal or Commercial Bank in the amount equivalent to at least five percent (5%) of the total contract price; (2) Bank draft/guarantee or irrevocable letter of credit issued by a Universal or Commercial Bank: Provided, however, that it shall be confirmed or authenticated by a Universal or Commercial Bank, if issued by a foreign bank in the amount equivalent to at least five percent (5%) of the total contract price; (3) Surety Bond callable on demand issued by the Government Service Insurance System (GSIS) or a surety or insurance company duly certified by the Insurance Commission as authorized to issue such security in the amount equivalent to at least thirty percent (30%) of the total contract price.

The performance security shall only be released upon the **CONSULTANT's** faithful and complete performance of her obligations under this Contract. The performance security shall guarantee the payment of any amount due to the **PDIC** as penalty or for any damage, loss or injury that may be caused by the **CONSULTANT** to the **PDIC** in the event it is established that the **CONSULTANT** is in default of her obligations under this Contract.

X. LIQUIDATED DAMAGES

Except when it is attributable to **PDIC's** fault or to *force majeure*, the **CONSULTANT's** failure to perform her obligations within the period that shall be required by **PDIC** for the submission of deliverables enumerated in Section II of this Contract shall make her liable for damages for the delay and shall pay **PDIC** liquidated damages in an amount equal to one-tenth (1/10) of one percent (1%) of the cost of the unperformed portion for every day of delay. Once the cumulative amount of liquidated damages reaches ten percent (10%) of the amount of the contract, **PDIC** shall have the right to rescind the Contract, without prejudice to other courses of action and remedies open to it.

XI. FORCE MAJEURE

Neither party will be in breach of the Contract if there is any total or partial failure by it of its obligations, which is occasioned by *force majeure*, any act of God, fire, act of the Government, war, commotion, insurrection, embargo, prevention from or hindrance in obtaining any material, energy or other supplies, labor disputes of whatever nature or any other reason beyond its control, if such reasons continue and thereby prevent the performance of the obligations under said circumstances.

XII. FIDUCIARY RELATION

The parties hereby agree that the services covered by this Contract are strictly confidential and that a breach of the terms and conditions thereof by the **CONSULTANT** that may subject **PDIC** to financial, material and operational loss, the parties agree as follows:

1. The **CONSULTANT** shall not, either during the term of this Contract or at anytime thereafter, reveal, disclose or furnish, in any manner, to any person any information relating to **PDIC** which she may have acquired or which came to her knowledge or possession during her work as **CONSULTANT** for **PDIC**; and
2. The **CONSULTANT** shall not, during the effectivity of this Contract and extending for a period of one (1) year reckoned from the termination of this Contract, be directly or indirectly engaged or have an interest in any business undertaking or operation of other persons or companies which, in the normal course of operation, would necessitate the use of the information or knowledge gained or acquired during the engagement of **CONSULTANT**'s services by **PDIC**, unless with the written consent by **PDIC**.
3. At the conclusion of this engagement, the recipient will, upon request, return all materials, data or documents provided by the other party. **PDIC** shall retain ownership of all data and materials provided to the **CONSULTANT**. All tangible work made for hire (as a result of the services rendered) shall become the property of **PDIC**.

XIII. CONFIDENTIALITY UNDERTAKING

The **CONSULTANT** acknowledges that any and all information which she may obtain or receive in the course of this engagement is highly confidential. The **CONSULTANT** shall execute a Confidentiality and Non-Disclosure Undertaking (Annex "A") before commencement of her work under this Contract.

XIV. NON-WAIVER OF RIGHTS

No amount of failure or delay by **PDIC** to exercise any right, power, privilege under this Contract shall operate as a waiver thereof nor shall any single or partial exercise of such right, power or privilege preclude any further exercise thereof.

XV. VENUE

In the event of legal action arising out of this Contract, the venue shall be in the proper courts of the City of Makati, Metro Manila.

XVI. MISCELLANEOUS

If any one or more of the provisions contained in this Contract or any document executed in connection herewith shall be invalid, illegal or unenforceable in any respect under any applicable law, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired.

Should it become necessary for either party to resort to legal proceedings to enforce any of its rights hereunder, the party at fault undertakes to pay the other reasonable compensation for its expenses, including attorney's fees and other litigation expenses.

PDIC reserves the right to amend any of the above terms and conditions upon written notice to the **CONSULTANT**. Such changes shall become effective and binding upon the **CONSULTANT** in the event he does not object or reply to such written notice within a period of ten (10) days from receipt of the notice.

IN WITNESS WHEREOF, the parties have hereunto signed this Contract on the date and place as stated below their respective names and signatures.

PHILIPPINE DEPOSIT INSURANCE CORPORATION

By:

Romeo M. Mendoza, Jr.
ROMEO M. MENDOZA, JR.

General Counsel

Date: Feb. 7, 2014

Place: Makati City

Cristine C. Remollo

CRISTINE C. REMOLLO

Consultant

Date: Feb. 7, 2014

Place: Makati City

SIGNED IN THE PRESENCE OF:

[Signature]

[Signature]

ACKNOWLEDGEMENT

Republic of the Philippines)
Makati City) S.S.

BEFORE ME, a Notary Public, for and in the City of Makati, this FEB. 10 2014 day of _____, 2014, personally appeared:

Name	Identification
Romeo M. Mendoza, Jr.	PDIC ID No. 1294
Cristine C. Remollo	<u>Passport # EB119746</u>

known to me and to me known to be the same persons who executed the foregoing instrument and who acknowledged to me that the same is their own free and voluntary act and deed, as well as the Corporation herein represented by Romeo M. Mendoza, Jr., and that he is duly authorized for the said purpose.

This refers to a **CONTRACT FOR CONSULTANCY SERVICES** consisting of six (6) pages including this page where the acknowledgement is written duly signed by the parties and their instrumental witnesses on each and every page hereof.

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

NOTARY PUBLIC

Doc No. 209
Page No. 42
Book No. XXIX
Series of 2014

[Signature]
ATTY. MARIA POLA F. SORIANO-LUANZON
NOTARY PUBLIC FOR MAKATI CITY, PHILIPPINES
Appointment No. M 232 Until Dec 31, 2014
Roll No. 3642 / Lifetime No. 00488
6782 SSS Bldg., Ayala Ave., Makati City

CONFIDENTIALITY AND NON-DISCLOSURE UNDERTAKING

This Undertaking entered into this ____ day of _____ 2014, by:

CRISTINE C. REMOLLO, Filipino, of legal age, married, with postal address at No. 123 Gomez corner Bonifacio Sts., Ayala Southvale Village, Bacoor, Cavite, hereinafter referred to as the "**CONSULTANT**"

- In favor of -

Philippine Deposit Insurance Corporation, a government instrumentality created and existing under and by virtue of Republic Act No. 3591, as amended, with principal office at PDIC Ayala Office, SSS Building, V. A. Rufino Street corner Ayala Avenue, Makati City, hereinafter referred to as "**PDIC**".

WHEREAS, **PDIC** has engaged the services of the **CONSULTANT** to assist **PDIC** in introducing pertinent amendments to its Charter;

WHEREAS, in the course of her engagement, confidential information may come to the knowledge of the **CONSULTANT** and the unauthorized use and disclosure of these confidential information relating to **PDIC**'s functions may materially prejudice the interests and position of **PDIC**, as well as expose **PDIC** to potential legal risks;

NOW THEREFORE, in consideration of the foregoing, the **CONSULTANT** binds herself to undertake the following:

I: Confidential Information

As used throughout this Undertaking, the term "Confidential Information" means any information in any form that is obtained from any officer or employee (including contractual employees) of **PDIC**, which is disclosed pursuant to the Contract for Consultancy Services (the "Contract") executed between **PDIC** and the **CONSULTANT**. "Confidential Information" shall also pertain to the following:

- a.) Any and all information gathered during the period of engagement, which, if disclosed, would or would be likely to materially prejudice the commercial and financial interests, and/or competitive and legal position of **PDIC**;
- b.) Business and market information held by **PDIC**, which is not known or made available to the general public; and
- c.) Reports on the deliverables under the Contract.

In addition to the above, Confidential Information shall also include information which is disclosed by **PDIC** to the **CONSULTANT** in whatever form or manner, whether or not identified as confidential at the time of disclosure or communicated as such to the **CONSULTANT**.

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II. Rationale for Requirement of Confidentiality

The **CONSULTANT** understands that the requirement of confidentiality is based on the fact that the unauthorized disclosure or use by the **CONSULTANT**, whether intentional or otherwise, of any Confidential Information may lead to the following consequences:

- (i) Prejudice the commercial and financial interests, and/or competitive and legal position of **PDIC**;
- (ii) Affect/undermine the integrity of **PDIC**'s decision-making processes, and policies relative to its function as state insurer and receiver/liquidator of closed banks;
- (iii) Place **PDIC** at risk for violation of the provisions of its Charter, which prohibits the unauthorized or uncontrolled use and disclosure of any confidential information about any bank or banking institution;
- (iv) Compromise the effectiveness of **PDIC**'s authority as co-regulator, state insurer, statutory receiver and liquidator as well as its investigation and examination powers over banks;
- (v) Adversely affect and/or undermine the general stability of the Philippine banking system; and
- (vi) Violate existing laws on the secrecy of bank deposits, such as Republic Act No. 1405, as amended.

III. Obligations of the CONSULTANT

The **CONSULTANT** agrees that:

1. Any disclosure of information shall be subject to the prior written consent and/or approval of **PDIC**. **PDIC** reserves the right to grant or withhold its consent to the declassification and/or release of any Confidential Information to any third party.
2. Any and all Confidential Information shall remain classified and will not be disclosed to any party not authorized herein, nor cited in any report, paper, or presentation, without the prior written consent or approval of **PDIC**. Confidential Information shall absolutely not be disclosed to any person or entity unless prior written approval of **PDIC** is first obtained.
3. Upon termination of the Contract or at any time within 24 hours upon **PDIC**'s request, all bank records, documents, electronic data, or reports and the like, gathered and/or acquired in the performance of his obligations under this Contract and other items which contain or may contain any Confidential Information (including all copies, reproductions,

and notes of the contents thereof) shall be delivered to **PDIC**, without need of demand, and the **CONSULTANT** will certify that the requirement of this paragraph has been complied with.

IV. Breach of Undertaking

Any breach of any provision of this Undertaking shall entitle **PDIC** to injunctive relief and the payment of liquidated damages in the amount of ten percent (10%) of the contract price as stipulated in the Contract. **PDIC** shall also be entitled to any other adequate relief available to it under applicable Philippine laws.

This Undertaking is made under and shall be construed according to the laws of the Republic of the Philippines.

V. Non-waiver of Rights

It is further understood that no failure or delay by **PDIC** in exercising any right, power or privilege stated herein shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude the exercise of any other right, power or privilege.

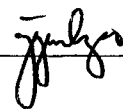
VI. Continuing Undertaking

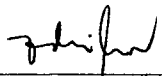
The termination of the relationship between the parties under the contract shall not relieve the **CONSULTANT** of her obligations of confidentiality and non-disclosure.

IN WITNESS WHEREOF, the **CONSULTANT** acknowledges that she has read and understood this Undertaking and voluntarily accepts the duties and obligations set forth herein.


CRISTINE C. REMOLLO
CONSULTANT

Witnesses:





ACKNOWLEDGEMENT

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

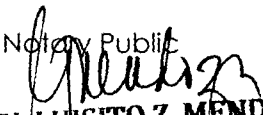
BEFORE ME, a Notary Public for and in the City of Makati this FEB 1 2014 of 2014, personally appeared the following:

Name	Competent Proof of Identity	Date/Place of Issuance
CRISTINE C. REMOLLO	<u>Passport ID # EB1119746</u>	

known to me to be the same person who executed the foregoing Undertaking and who acknowledged to me that the same is her free and voluntary act and deed. This Confidentiality and Non-Disclosure Undertaking consists of four (4) pages including this page where the Acknowledgement is written, signed by the party and her witnesses on each and every page thereof.

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

Doc. No. 322;
Page No. 5;
Book No. XXI;
Series of 2014.

Notary Public

ATTY. LUISITO Z. MENDOZA
 Commission No. M-47
 NOTARY PUBLIC FOR MAKATI CITY
 Until December 31, 2014
 Roll No. 37663 / IBP No. 905493
 6782 SSS Bldg., Ayala Ave., Makati