

SERVICE LEVEL AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

This Service Level Agreement (SLA) is made and executed by and between:

DBP Leasing Corporation, a corporation duly organized and existing under and by virtue of the laws of the Republic of The Philippines, with principal office address at Sen. Gil Puyat Avenue cor. Makati Avenue, Brgy. Bel-Air, Makati City, represented by its *President and Chief Executive Officer*, **DANILO T. REYES**, hereinafter referred to as "DBPLC";

-and-

Development Bank of The Philippines, a government financial institution duly organized and existing under and by virtue of the laws of the Republic of The Philippines, with principal office address at DBP Bldg., Sen. Gil Puyat Avenue cor. Makati Avenue, Brgy. Bel-Air, Makati City, represented by its *OIC-President and Chief Executive Officer*, **FE SUSAN Z. PRADO**, and hereinafter referred to as "DBP";

-WITNESSETH, THAT-

WHEREAS, DBP has various departments, divisions, or units which perform various functions essential to its banking operations, risk management and monitoring;

WHEREAS, DBPLC wishes to outsource certain services to DBP Office of the Chief Compliance Officer (DBP-OCCO) and DBP agreed to perform such services contemplated under this Service Level Agreement (SLA) in favor of DBP Leasing Corp.;

WHEREAS, to achieve the objectives of the parties and define their respective rights and obligations under such arrangement, this SLA is hereby executed subject to the following terms and conditions;

Article I SCOPE OF SERVICES

DBP Office of the Chief Compliance Officer (DBP-OCCO) will render to DBP Leasing Corporation (DBPLC) the following core-services:

1. *Program Development*
 - i. Provide DBPLC the template, which shall form the basis for the development of DBPLC's Compliance and Monitoring Program and shall assist in formulating, drafting and finalizing the Compliance and Monitoring Program;
 - ii. Provide DBPLC legal materials and regulatory issuances affecting its business and operations, and assist in the development of the database of DBPLC's Compliance Office;
2. *Capacity Building of the key personnel of DBPLC's Compliance Office*



- i. Provide advisories on the training needs and programs for DBPLC Compliance Officer or personnel of the Compliance Office;
 - ii. Share information, data and/or other compliance related literature;
3. *Advisory Functions of the DBP Office of the Chief Compliance Officer with respect to DBP Leasing Compliance Office*
 - i. Advise the Chief Compliance Officer as to the implementation of any regulation, circular or policy from the BSP and AMLC on matters affecting the operations of the Company or its business;
4. *Reportorial Requirements*
 - i. Assist in the submission requirements or AMLA Reports, as may be required by law, regulation or upon instruction of the BSP or any and/or other regulatory agencies of the government;
 - ii. Upon request, review and give comments on regulatory compliance documents/replies to BSP, COA, SEC and etc.;
5. *Compliance Testing and Monitoring Functions*
 - i. Assist DBPLC in the conduct of its Compliance and AMLA Audit, Testing and Monitoring Activities;
 - ii. Advise DBPLC Compliance Office actions or measures designed to improve or fill-in the gaps in its over-all compliance program;

Article 2
AUTHORITY TO PERFORM COVERED SERVICES

1. **Express Grant of Authority.** – DBP shall perform for DBPLC the above-mentioned services pursuant to and in accordance with the terms, conditions and scope of this SLA, subject to the approval of the DBP President.
2. **Inclusion of Additional Services.** – The parties hereto may, by mutual agreement, include other compliance-related services which DBPLC may request in the future.

Article 3
SERVICE FEES

1. **Reimbursement of Costs.** – DBPLC shall reimburse DBP for any and all costs and expenses as the latter may incur in the course of providing herein services. Such reimbursements shall be in addition to whatever fixed fees the parties may hereinafter agree.
2. **Taxes.** – All taxes, imposts, costs, and charges arising out of the execution and implementation of this SLA, the payment of the service fee and other fees and charges that maybe due by virtue of this SLA or the rendition of the services herein provided shall be for the account of DBPLC.
3. **Pre-Termination Fees.** – In the event of Pre-Termination or rescission of this SLA, DBP shall be entitled to the payment of the services already rendered, based on the concept of *quantum meruit*, and such other expenses incurred to the completed preparatory activities in connection with its obligations under the SLA.



Article 4
SLA DURATION AND FREQUENCY OF RENDITION OF SERVICES

1. **Duration of the SLA.** – This SLA shall be valid and binding for one (1) year commencing from the date of execution of this agreement, subject to periodic review and renewable by mutual consent by the parties.
2. **Frequency of Rendition of Services.** – DBP shall render the services enumerated in this SLA in the manner and specifications of DBPLC and within the frequency as agreed by the parties.

In cases of extreme emergency or urgent matters or when extraordinary circumstances arise and when the services of DBP is needed, the latter shall render such services at such frequency beyond the agreed schedule free of any additional charge, save only the reasonable operational costs which were directly incurred by reason of discharge of their functions enumerated in this SLA.

ARTICLE 5
OBLIGATIONS OF THE PARTIES

1. *DBP'S OBLIGATIONS/COVENANTS*

- a) As a separate and independent DBP unit, the DBP-OCCO shall undertake such advisory functions vis-à-vis DBPLC. Towards this end, DBP-OCCO may assist DBPLC in the examination, evaluation and determination of the various risks and compliance requirements of the BSP and other regulatory agencies and others identified as forming part of the services expressly mentioned in this SLA. Its primary responsibility is to perform such appropriate advisory functions to DBPLC Management in the effective discharge of its responsibilities by furnishing analyses, recommendations, reports and information concerning its Compliance Program and activities.
- b) Assume no direct responsibility or authority on any of the activities or operations they review, evaluate or examine and shall in no way be allowed to develop and install procedures, prepare records or engage in activities that would normally be performed by DBPLC Compliance Office.
- c) Ensure that the designated supervising or oversight officer of the DBP-OCCO and/or its designated team shall not perform management functions, make management decisions, or act or appear in a capacity equivalent to that of a member of management of an employee of the institution, and shall observe professional and regulatory independence.
- d) Maintain the confidentiality of all information, materials, reports and/or figures which DBPLC will disclose to DBP by reason of this SLA;
- e) Comply with all the terms and conditions as provided in this SLA.

2. *DBPLC's Obligations*

- a) Provide DBP a copy of the Minutes of the Meeting of the Board of Directors of DBPLC, duly signed and approved by the majority of the Board of Directors, certified by the Corporate Secretary and attested to by the President, and copy of the Minutes of DBPLC's Management Committee Meeting signed by its Chairman, on the approval of the outsourcing of the services as contained in this SLA.
- b) Agree that the President/CEO, Board of Directors and DBPLC's Compliance Office shall remain responsible in maintaining an effective system, and provide active oversight of the outsourced activities and/or functions.



- c) Provide DBP a written authority and consent to examine and be granted free access to all DBPLC information and files, in cases where the same is necessary in order for DBP to perform its functions, duties and obligations under the SLA.
- d) Use procedures and exercise the same care that it customarily employs in performing similar services for its own account.
- e) Provide the DBP-OCCO copies of all regulatory reports submitted to BSP, COA, SEC and etc.;
- f) Provide DBP-OCCO a copy of all AOMs and Notices of Disallowance and the corresponding DBPLC responses;
- g) Provide DBP-OCCO a copy of all submissions to AMLC;

**ARTICLE 6
MISCELLANEOUS PROVISIONS**

1. **Severability Clause.** – If any of the provisions contained in the SLA is held invalid or contrary to law, the validity of other provisions hereof shall not be affected thereby.
2. **Saving Clause.** – If any of the provisions of this SLA shall be declared to be invalid, unconstitutional or inapplicable, or when the some or all of the provisions have been impliedly amended, the rest and unaffected part thereof shall remain effective, binding and controlling.
3. **Governing Law.** – Laws, rules and regulations of the Republic of The Philippines shall govern the provisions of this SLA.
4. **Confidentiality.** – DBP shall maintain and ensure that the data, files, information, reports, materials and/or figures remain confidential, which shall be disclosed to them by reason of this SLA.

DBP shall obtain prior authority and approval from DBPLC for any disclosure and/or use of any data, files, information, reports, materials and/or figures, which DBP obtained by reason of this SLA.
5. **Interpretation and Construction.** – The provisions of this SLA shall be liberally construed in order to give effect to interests and intention of the parties.

IN WITNESS WHEREOF, the parties, through their respective representatives, have hereunto affixed their signatures on JUL 19 2016 in MAKATI CITY.

For DBP Leasing Corp.

For DBP


DANILO T. REYES
President & CEO

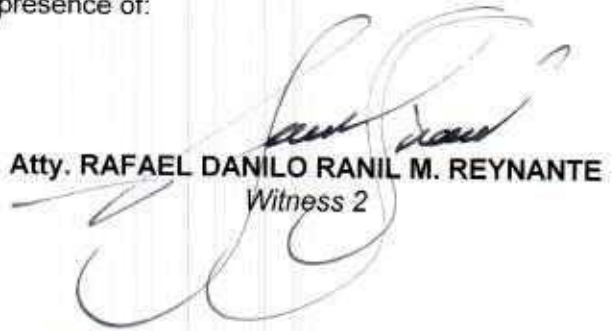

FE SUSAN Z PRADO
OIC-President and Chief Executive Officer
Board Resolution No. 0252 – June 29, 2016




4

Signed in the presence of:


RYAN CARLOS T. PAHIGNALO
Witness 1


Atty. RAFAEL DANILO RANIL M. REYNANTE
Witness 2

ACKNOWLEDGMENT

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


BEFORE ME, a Notary Public for and in the above jurisdiction, this JUL 19 2016 day of _____, 2016, personally appeared:

NAME	CTC #/ GOV'T ISSUED ID	PLACE AND DATE OF ISSUE
<i>Dev. Bank of the Phils.</i> FE SUSAN Z. PRADO	CCC201344478	01/08/2016 Makati City
<i>DBP Leasing Corp.</i> DANILO T. REYES	Phil. Passport # EC2554353 CCC201400192112 OSCA # 09891-D	10/28/2014 NCR South 01/13/2016 Makati City 01/07/2013 Quezon City

Known to me and by me known to be the same person who executed the foregoing instrument consisting of five (5) pages including this page where this Acknowledgment is written and acknowledged to me that the same is their own free and voluntary act and deed as President of DBPLC and DBP, respectively

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

Doc. No. 00 :
Page No. 5 :
Book No. 11 :
Series of 2016


ERIC R. CORTES
COMMISSION No. M-200
NOTARY PUBLIC FOR MAKATI CITY
UNTIL DECEMBER 31, 2016
DBP LEASING CORPORATION, 4th FLR., DBP BLDG.
SEN. GIL J. PUYAT AVE. COR. MAKATI AVE., MAKATI CITY 1200
ROLL No. 45345/0508-2000
PTR No. 5331057/01-07-2016/MAKATI CITY
IBP No. 1018898/01-07-2016/RIZAL