

REPUBLIKA NG PILIPINAS
SANGGUNIANG PANLUNGSOD
LUNGSOD NG ORMOC



EXCERPT FROM THE MINUTES OF THE REGULAR SESSION OF THE
FIFTEENTH SANGGUNIANG PANLUNGSOD NG ORMOC HELD
AT THE SANGGUNIANG PANLUNGSOD SESSION HALL,
ORMOC CITY HALL BUILDING
ON FEBRUARY 15, 2022

PRESENT:

Tomas R. Serafica,

Benjamin S. Pongos, Jr.,
Roiland H. Villasencio,
Nolito M. Quilang,
Eusebio Gerardo S. Penserga,
Jasper M. Lucero,
Peter M. Rodriguez,
Vincent L. Rama,
Gregorio G. Yrastorza III,
Lalaine A. Marcos,
Esteban V. Laurente,

(Temporary Presiding Officer)
SP Member, Presiding Officer "Pro-Tempore"
SP Member, Majority Floor Leader
SP Member, 1st Asst. Majority Floor Leader
SP Member, 2nd Asst. Majority Floor Leader
SP Member
SP Member
SP Member
SP Member
SP Member
SP Member
Ex-Officio SP Member, Chapter President,
Liga ng mga Barangay ng Ormoc

ON LEAVE:

Leo Carmelo L. Locsin, Jr.
Joan Marbie C. Simbajon,
Panlungsod na Pederasyon ng mga Sangguniang Kabataan ng Ormoc

City Vice Mayor & Presiding Officer
Ex-Officio SP Member, Chapter President,
Panlungsod na Pederasyon ng mga Sangguniang Kabataan ng Ormoc

RESOLUTION NO. 2022-037

**A RESOLUTION GRANTING AUTHORITY TO THE CITY
MAYOR RICHARD I. GOMEZ OR THE ACTING CITY
MAYOR TO ENTER INTO AND SIGN THE FOLLOWING
AGREEMENTS WITH G-XCHANGE, INC.: 1) MOBILE
PAYMENT SOLUTIONS AGREEMENT; 2)
MEMORANDUM OF AGREEMENT (MOA) FOR SCAN TO
PAY; AND, 3) MUTUAL CONFIDENTIALITY AND NON-
DISCLOSURE AGREEMENT**

WHEREAS, this Fifteenth Sangguniang Panlungsod was in receipt of an Indorsement dated February 2, 2022 from the Office of the City Mayor, endorsing a request for the issuance of a Resolution granting authority to the City Mayor or his representative to enter into and sign the following agreements with G-XCHANGE, INC., to wit: 1) Mobile Payment Solutions Agreement; 2) Memorandum of Agreement (MOA) for Scan to Pay; and, 3) Mutual Confidentiality and Non-disclosure Agreement, copies of the said agreements are hereto attached as ANNEXES "A", "B" and "C", respectively, and made integral parts hereof and further requesting that this matter be treated as Extremely Urgent;

WHEREAS, in an Opinion dated January 31, 2022, the City Legal Office finds nothing legally objectionable in the said MOA and the Agreement and that the same are not contrary to law, morals, public order, or public policy much less detrimental to the best interests of Ormoc City, a copy of the Opinion is hereto attached as ANNEX "D" and made an integral part hereof;

WHEREAS, G-XCHANGE Incorporated is duly registered with the Bangko Sentral ng Pilipinas (BSP) as a licensed remittance agent and E-Money Issuer (EMI). It handles electronic money (e-money) issuance, remittance services, and mobile payment solutions under the GCash brand "GCash Mobile Payment Solutions";

WHEREAS, GCash remains committed in providing financial services to customers and partners through its services and has offered to render its services to cover certain transaction with the Local Government Unit of Ormoc (LGU-Ormoc) and to collect corresponding fees and charges for said services from the individual users;

WHEREAS, the GCash services that are covered in the mentioned agreements with LGU-Ormoc for its users and customers are through two modes, namely, Scan to Pay Service and GCash Mobile Payment Solutions, to cover certain transactions with LGU-Ormoc involving payment of fees and charges, and other payables to the latter;

WHEREAS, upon examination, the subject Agreements are found to clearly and plainly encapsulate the terms and conditions of the agreement of the parties thereto, including their specific roles and obligations towards the attainment of the lofty ends of the same, and this Sanggunian, upon thorough review, finds that the same is entered for the desired ends of convenience, practicality and overall savings on the part of users who want to settle transactions through the modern option of electronic money, thereby, serving the best interests of the City and its constituents, and therefore, is most deserving of this august Body's prompt and favorable consideration;

WHEREFORE, on joint motion of SP Member Benjamin S. Pongos, Jr, Chairman, Committee on Laws and Ordinances and SP Member Nolito M. Quilang, Chairman, Committee on Trade, Commerce & Industry, severally seconded by SP Members Esteban V. Laurente, Lalaine A. Marcos, Jasper M. Lucero and Peter M. Rodriguez; be it

RESOLVED, AS IT IS HEREBY RESOLVED, to pass A RESOLUTION GRANTING AUTHORITY TO THE CITY MAYOR RICHARD I. GOMEZ OR THE ACTING CITY MAYOR TO ENTER INTO AND SIGN THE FOLLOWING AGREEMENTS WITH G-XCHANGE, INC.: 1) MOBILE PAYMENT SOLUTIONS AGREEMENT; 2) MEMORANDUM OF AGREEMENT (MOA) FOR SCAN TO PAY; AND, 3) MUTUAL CONFIDENTIALITY AND NON-DISCLOSURE AGREEMENT;

ADOPTED, February 15, 2022.

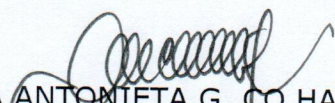
RESOLVED, FURTHER, that a copy of the final notarized Agreement be submitted to this Sanggunian for its information and files;

RESOLVED, FINALLY, to furnish copies of this resolution each to the City Mayor of Ormoc Richard I. Gomez; the City Administrator, Mr. Vincent L. Emnas; the City Legal Officer, Atty. Josephine Mejia-Romero; G-XCHANGE Inc.; the City Treasurer's Office; the Business Permits & Licensing Office; the City Planning & Development Office - IT Division; the City Local Government Operations Officer-DILG; and other offices concerned for their information and guidance;

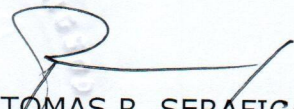
CARRIED UNANIMOUSLY.



I HEREBY CERTIFY to the correctness of the foregoing resolution.


MARIA ANTONIETA G. CO HAT
Secretary to the
Sangguniang Pankungsod

ATTESTED:


TOMAS R. SERAFICA
(Temporary Presiding Officer)
SP Member
Presiding Officer "Pro-Tempore"

Mobile Payment Solutions Agreement

This Mobile Payment Solutions Agreement ("**Agreement**") is made and entered into, by and between:

G-XCHANGE, INC., a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with business office at 8F W Global Center, 30th corner 9th Avenue, Bonifacio Global City, Taguig, represented herein by its *Vice President for Enterprise Group, Jose Luis G. Reyes*, and hereinafter referred to as "**GXI**";
-and-

THE LOCAL GOVERNMENT UNIT OF ORMOC CITY, a political subdivision duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal office at New Ormoc City Hall, Aunubing Street, Ormoc City, Leyte represented herein by its City Mayor, Richard I. Gomez duly authorized by a Sanguniang Resolution, and hereinafter referred to as "**LGU**";

(GXI and LGU may hereinafter be collectively referred to as "**Parties**" or individually as "**Party**".)

WITNESSETH: That-

WHEREAS, GXI, is duly registered with the Bangko Sentral ng Pilipinas (BSP) as a licensed remittance agent and E-Money Issuer (EMI). It handles electronic money, (e-money) issuance, remittance services, and mobile payment solutions under the GCash brand ("**GCash Mobile Payment Solutions**");

WHEREAS, LGU desires to accept payments from its clients through GCash Mobile Payment Solutions;

WHEREAS, the Parties now wish to set forth in this Agreement their rights and obligations with respect to the Services, as defined below, and other related transactions for their mutual benefit and protection. Accordingly, the Parties agree as follows:

DEFINITIONS

"**Applicable Law**" means the laws of the Republic of the Philippines, including but not restricted to, all laws, rules and regulations related to electronic money issuance, money remittance, mobile payments, and all applicable anti-money laundering, anti-fraud, anti-corruption and anti-bribery laws.

"**LDR**" or "**LGU Discount Rate**" means a fee earned by the GXI at a specific percentage of every transaction successfully processed by LGU as specified in clause 3.

"**Fraud**" means an intentional deception made and/or conducted by either party, or its agents, branches, network outlets, whether acting individually, or together, or in collusion with a third party, for his or their personal gain, profit or some unfair or dishonest advantage, or to damage to the other party, its subsidiaries or affiliates, relating to the processing, submission of illegitimate or fictitious transactions or abuse not consistent with the purpose for which the agreement and transactions were intended for. For purposes of this definition, either party, its agents, and Sub agents are assumed to be either party's employees, agents or Sub agents.

"**GCash Mobile Payment Solutions**" means a payment facility that allows LGU to receive e-money from a client's mobile wallet registered under GCash.

"**Sub LGU**" means any agent that will be able to accept payments for goods and services through GCash Mobile Payment Solutions using the connection established by GXI with LGU and with express consent from the LGU.

"**Settlement Report**" – means the report generated by GXI listing the number of transactions successfully processed by LGU for the relevant month, serving as a record of the transactions.



LEGAL

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"Unauthorized Use of Services" means any use of the GXI provided solutions not specifically and explicitly authorized or permitted in this Agreement and includes, but is not limited to anything not specifically authorized by GXI, in writing.

NOW, THEREFORE, contained herein, the Parties agree as follows:

1. **SCOPE OF SERVICES**

GXI shall provide LGU GCash Mobile Payment Solutions to accept payments from LGU's clients.

2. **EQUIPMENT PROVISIONING, OPERATION, MAINTENANCE, PERFORMANCE**

2.1. **Equipment Provisioning**

2.1.1. GXI and LGU shall provide, as necessary, certain equipment and facilities, under the following principles:

- a) Unless otherwise agreed, each Party shall provide its share of the necessary equipment and services on its own end for its own account.
- b) GXI will provide LGU with GXI's application program interfaces to enable LGU's equipment and systems to interact with GXI's integrated payments system.
- c) LGU shall provide any other software that it may require to facilitate the Service.
- d) Each Party shall, for its exclusive account, be responsible for developing and implementing its own security arrangements for its network/system. LGU agrees to allow GXI to conduct periodic Vulnerability Assessment & Penetration Testing (VAPT) scans upon reasonable notice. LGU agrees to timely carry out and carefully abide by all reasonable recommendations made by the tester and GXI. Neither Party shall be liable to the other for the failure of each Party to maintain the integrity of its network/system.

2.2. **Principles for Operation and Maintenance**

2.2.1. Equipment necessary to enable the service shall be operated and maintained in the following manner:

- a) LGU will advise GXI of any changes in the application program interfaces in advance. GXI shall work with LGU and the Mobile Service Providers to facilitate the successful interface of LGU's equipment and systems with the systems and equipment of GXI and the Mobile Service Providers.
- b) In cases of service interruptions that are neither GXI network nor GXI system related, LGU shall immediately notify GXI and GXI partner support team as stipulated in Annex 3, if such interruption has lasted for at least an hour.

2.3. **Performance Review**

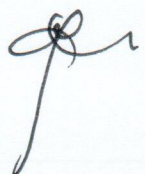
2.3.1. LGU shall be periodically evaluated and audited based on its performance of its obligations under this Agreement and client satisfaction. Evaluation may be conducted by GXI at its sole and exclusive discretion every month, and as often as may be necessary, based on the historical performance of LGU.

2.3.2. LGU shall be expected to maintain a minimum standard of service including, at all times, prominently display that GCash is a payment option at LGU sites in such a way that it is obvious to guests or clients that GCash Mobile Payment Solutions are accepted at such LGU sites.

3. **LGU DISCOUNT RATES, SETTLEMENT, RECONCILIATION, TAX RECOGNITION**

3.1. **LGU Discount Rate**

3.1.1. GXI shall collect a fee for every successful payment made from client to LGU through the applicable GCash Mobile Payment Solutions. This fee is equivalent to LGU Discount



Rate (LDR) multiplied by the payment amount. This applicable LDR is indicated in Annexure 1.

3.1.2. GXI reserves the right to change or alter the LDR upon the occurrence of any of the following circumstances, upon issuance of written notice within thirty (30) days from the occurrence thereof:

- a) Extraordinary inflation;
- b) Changes in government taxes relevant to the service; or
- c) Updates in the service and or offerings covered by this agreement.

Upon the LGU's receipt of said written notice, the LGU has the right to terminate this Agreement should the increase be deemed unacceptable to it.

3.1.3. GXI shall send its Settlement Reports to LGU, representing the transactions recorded under the applicable account of LGU, amounts credited to LGU's nominated bank account and LDR collected for the period, as stipulated in this Agreement.

3.1.4. Notwithstanding any other clause in this Agreement, the fee due to GXI shall be in addition to, and separate from, the amount due to the government under the transaction concerned. The fee due to GXI shall be passed on to the client, and shall be deemed paid to GXI by the client. GXI shall remit to LGU in full, without any deduction whatsoever, the amount that the client must pay to LGU under the law, ordinance, tax bill, charge or transaction concerned.

3.2. Should the services provided by LGUs be subjected to VAT in a subsequent legislation, the LDR collected from LGU shall not be inclusive of the 12% Value Added Tax (VAT) pertaining to the goods and services provided by LGU to the client.

3.3. Settlement

3.3.1. As agreed between the Parties and stipulated in Annexure 1 to this Agreement, GXI shall send LGU a Settlement Report indicating the number of transactions successfully processed by LGU for the relevant time.

3.3.2. GXI shall remit payment of all undisputed and successful transactions processed to LGU for the period stipulated in Annexure 1. The payment shall be credited to LGU's nominated bank account. In case of any error, or overpayment by GXI of this amount, for whatever reason ("Excess Amount"), GXI shall have the right to adjust future payments to LGU to the extent of the Excess Amount paid by GXI.

3.3.3. LGU shall inform GXI of any dispute in the Settlement Report by way of a written notice addressed to GXI and GXI partner support team as stipulated in Annexure 3, not later than ten (10) days from its receipt of the Settlement Report. After the expiration of such ten (10) day period in the absence of any notice of dispute, the Settlement Report shall be considered as final. The Parties shall in good faith settle all disputed amounts within thirty (30) days from the date that LGU notifies GXI of such dispute.

3.3.4. If at the end of such thirty (30) day period, LGU and GXI are unable to resolve such dispute, a nationally recognized independent auditor, expert in financial and banking transactions of this nature (the "Auditor"), shall be appointed by mutual agreement of GXI and LGU. All costs related to such appointment shall be borne equally by both Parties. GXI and LGU shall promptly provide to the Auditor any information reasonably requested by the Auditor for purposes of resolution of the dispute.

3.3.5. The Auditor shall render a decision with regard to such dispute within thirty (30) days after the submission thereof, and any decision of the Auditor with regard to such dispute shall be deemed final and binding. Each Party shall be responsible for its own costs associated with any dispute proceeding. If it is determined in accordance with the above procedures that underpayment was made by GXI, such amount shall be paid to LGU within ten (10) business days from the resolution of the dispute.

3.4. Fraudulent Activities



- 3.4.1. Both parties require each other to use all necessary efforts to prevent the occurrence of Fraudulent Activities while processing transactions using the GCash Mobile Payment Solutions. Neither party shall pay the other for any transactions caused by Fraudulent Activities or Abuse or services or features not expressly authorized by the innocent party under this agreement. Notwithstanding anything to the contrary in this Agreement, in the event that the innocent becomes aware of the occurrence of Fraudulent Activities, Abuse or unauthorized use of services, the innocent party shall consider any payment made pursuant to Fraudulent Activity or any suspicious transactions as Excess Payment as defined above. The innocent party shall inform the erring party of the occurrence of Fraudulent Activities or unauthorized use of services and of the amount of the Excess Payment, as soon as practical.
- 3.4.2. If either party reasonably believes that it has made an Excess Payment to the other party, then, the innocent party shall be entitled to deduct the Excess Payment from future payments to the erring party. In the event that the erring party disputes the existence or amount of any such Excess Payment, such dispute shall be settled by the Auditor pursuant to the procedures set forth in this Agreement above.
- 3.4.3. The foregoing shall be without prejudice to the right of the innocent party to disconnect the Services or block access thereto in the event it detects Fraud or Fraudulent Activity, as defined in clause 13 below, provided that the innocent party has provided the erring party with written communication, in any form, of suspected Fraudulent Activity prior to, or if such prior communication is not reasonably practicable, immediately after such disconnection.
- 3.4.4. In the event that: (a) the innocent party (i) receives any complaint by a GCash user of any unauthorized or erroneous activity, or (ii) detects any unusual traffic or activity from the erring party, a particular user, or group of users; and (b) after investigation, reasonably determines that such unauthorized or unusual activity was attributable to a wrongful act or negligence of the erring party or its agents, then the innocent party shall have the right to set off against payments due to the erring party, any costs to the innocent party resulting from such activity or traffic.
- 3.4.5. The innocent party's investigation and determination as to whether such complaint or activity amounts to Fraudulent Activity or unauthorized use of the services shall be final and conclusive. In the event that any such unauthorized or unusual activity is not due to any wrongful act of the erring party, but is reasonably determined by the innocent party to be due to circumstances or results that were unanticipated by GXI and LGU at the time this Agreement was executed, GXI and LGU shall work together in good faith to resolve the issue.
- 3.4.6. Either party shall be entitled to set off any sums that the other may owe the other party by virtue of this or any other Agreement between the Parties, against any payments due to under this Agreement. The party offsetting shall notify the other of the set off at least two (2) business days prior to release of payment. The party to be off setted against shall confirm or contest the existence of any existing obligation proposed to be set off in favor of the other within one (1) business day from receipt of the notice to set off; otherwise, the party offsetting shall implement the set off.

4. CLIENT SUPPORT

- 4.1. For issues or concerns raised by client to LGU that require support from GXI, LGU will follow the process stipulated in Annexure 3 which may be amended and updated periodically.
- 4.2. Any and all issues related to LGU's system and services shall be addressed by LGU independently. In case such issues impact the provision of GXI Services in any way, LGU shall inform GXI in writing within 24 hours.
- 4.3. As required or necessary, GXI shall assist LGU in the technical resolution or reconciliation of transaction information. GXI shall likewise address issues specific to GXI independently, with LGU assisting in any reconciliation of transaction information.



5. **PARTIES' OBLIGATIONS**

- 5.1. LGU and GXI shall strictly comply with all Applicable Laws, rules and regulations relating to its business at its respective place or site of business. Any breach of a Party's obligations under clause 5 shall be a material breach of this Agreement and shall trigger the non-breaching Party's rights accordingly.
- 5.2. LGU undertakes to process and honor all successful transactions completed through GCash Mobile Payment Solutions at all times as stipulated in this Agreement, except in circumstances completely beyond the control of LGU and which LGU could not have reasonably anticipated and resolved.
- 5.3. LGU shall monitor all transactions taking place pursuant to this Agreement and shall additionally ensure effective monitoring of such transactions. LGU shall report in writing any and all suspicious transactions to GXI and GXI partner support team as stipulated in Annexure 3, within two (2) business days of the date of identification. Where LGU is unsure of the legitimacy of a transaction, it shall inform GXI and GXI partner support team as stipulated in Annexure 3, within two (2) business days.
- 5.4. LGU shall declare all Sub LGUs to GXI. LGU shall obtain the approval of GXI prior to adding any Sub LGUs to its business and shall add the Sub LGUs after such approval has been obtained, in writing.
- 5.5. LGU shall declare all sites where they will accept payments from clients using the GCash Mobile Payments Solutions including the sites of its Sub LGUs to be identified in Annexure 2.
- 5.6. LGU shall immediately terminate all involvement in any way related to GCash and GCash Services with identified abusive Sub LGUs or partners within 24 hours from receipt of such request from GXI. LGU agrees that failure to do so shall give GXI the right to unilaterally deactivate/suspend any or all GCash services to LGU.
- 5.7. LGU commits to support any investigation of Fraud, abuse and/or potential abuse and provide GXI with any information GXI deems necessary to progress such investigation, including providing GXI with details of its employees, agents, or clients that LGU suspects of having committed Fraud or fraudulent acts.
- 5.8. LGU shall preserve all hard-copy and/or electronic records of their transactions with GXI for a period of five (5) years from the date of the transaction. LGU shall, promptly upon request of GXI, give GXI access to such records in whatever form they are contained (paper, electronic or otherwise), and if so required shall turn-over such records to GXI. Moreover, in the event GXI is required by the BSP or other competent authority or court to provide access to the transaction records in the custody of LGU, LGU shall promptly grant the representatives of the BSP, or other authority or court, the requested access.
- 5.9. LGU shall impose on its own employees, agents, and Sub LGUs, and any related parties the same standards required of LGU under this Agreement. LGU shall likewise maintain and cause its employees, Sub LGUs and any related parties to maintain, during the effective term of this Agreement, appropriate business practices, standards, procedures and controls with the objective of avoiding any adverse impact on the interests of both LGU and GXI.

6. **TERM AND TERMINATION**



- 6.1. The Initial Term of this Agreement shall commence on the Effective Date of this Agreement and shall continue for one (1) year. Thereafter, this Agreement shall be automatically renewed for successive 1-year periods (each a "Renewal Term") subject to any amendments discussed and decided by both Parties. Any such amendments must be recorded in writing in order to be effective.
- 6.2. Either Party shall have the right to terminate this Agreement for convenience upon sixty (60) days written notice at any time.
- 6.3. This Agreement may be terminated for breach as follows:
- 6.3.1. If either Party has materially breached this Agreement, the other Party may terminate this Agreement thirty (30) days after giving written notice to the breaching Party, describing the breach in reasonable detail, unless the breaching Party has cured the breach before the end of that thirty (30)-day period. The Term "material breach" includes, but shall not be limited to, the following:
- a) Either Party gains unauthorized or inappropriate access to the other's client records;
 - b) Either Party breaches Article 10 or any other terms and conditions of this Agreement;
 - c) Either Party unilaterally disconnects the facility without valid or justifiable cause to the prejudice of the other;
 - d) Security breaches emanate from the system of the other Party;
 - e) An encumbrancer takes possession or a receiver is appointed over any of the property or assets of the other Party;
 - f) The other Party enters into any composition or makes any voluntary arrangement with its creditors;
 - g) The other Party goes into liquidation (except for the purpose of amalgamation or reconstruction and in such manner that the affected Party resulting there from effectively agrees to be bound by or to assume the obligations imposed on that other Party under this Agreement);
 - h) Anything analogous to any of the foregoing under the law of any other jurisdiction shall occur in relation to that other Party;
 - i) That other Party ceases or threatens to cease to carry on business.
 - j) Recurring non-performance by either Party of its obligations or executing the services in bad faith;
 - k) Either Party, or any or all of its agents, and Sub LGUs for the LGU, is engaged in any act which defrauds or may potentially defraud the other Party, whether the same is punishable under law or not.
- 6.3.2. Either Party may rescind, terminate or cancel this Agreement effective immediately, by giving notice in writing to the other Party upon any of the following grounds:
- a) Abandonment of the Service or, without the prior consent of the other Party, assignment of the execution of the Services to others; or
 - b) A Party loses its license and is unable to fulfill its obligations under this Agreement.
- 6.4. Neither Party shall make any negative or adverse public announcements if the other Party terminates this Agreement or otherwise.
- 6.5. Provisions of this Agreement that by their nature continue beyond the expiration or termination of this Agreement, and those provisions that are expressly stated to survive termination, shall survive the termination or expiration of this Agreement, including, without limitation, Article 9 (Liabilities; Limitation of Liability), Article 11 (Confidentiality), 14.8 (Governing Law) and Article 14.9 (Settlement of Disputes), and any accrued but unpaid financial obligations.



7. WARRANTIES

- 7.1. Each Party represents and warrants that:
- a) it has the right, power and authority to enter into this Agreement and to fully perform its obligations hereunder;
 - b) it shall comply with its privacy policy;
 - c) it shall not engage in any fraud or any deceptive, misleading or unethical or unfair competition practices either by itself, its agents, or its Sub LGUs;
 - d) it shall not act in any manner which conflicts or interferes with any existing material commitment or obligation of such Party;
 - e) that no agreement previously entered into by such Party will interfere with such Party's performance of its material obligations under this Agreement; and
 - f) it shall perform in compliance with any applicable laws, rules and regulations of any governmental authority.
- 7.2. LGU represents and warrants that it has all the necessary licenses and permits for its business, software and systems and that it does not, by entering into this Agreement, violate the intellectual property rights of any third party.
- 7.3. GXI represents and warrants that it has all the necessary licenses and permits for its integrated payments system and software, and that it does not, by entering into this Agreement, violate the intellectual property rights of any third party.

8. MUTUAL COOPERATION

- 8.1. The Parties shall cooperate with each other in good faith, in order to achieve the objectives set forth in this Agreement.
- 8.2. The Parties is committed to developing an anti-fraud culture and eliminating the opportunities for fraud, bribery, and corruption.
- 8.3. The Parties, its agents, and its Sub agents s shall not tolerate fraud, bribery, and/or corruption of any kind. The Parties shall seek to take disciplinary action against those found to have attempted to perpetuate and/or have perpetrated fraud and abuse.
- 8.4. The Parties are committed to conducting business fairly, openly, and honestly and in accordance with the highest ethical and legal standards.
- 8.5. Either party may impose sanctions as stipulated in clause 13 in the event that the innocent party becomes aware of any violation of this clause. In the event that the innocent party chooses to impose sanctions, the erring party can appeal said innocent party's decision by providing relevant documents with a reasonable explanation regarding the violation. The innocent party has the right to hold the balances in the erring party's account up until the investigation is final. The result of innocent party's investigation will be final and irrevocable.

9. LIABILITIES: LIMITATIONS OF LIABILITY

- 9.1. Except for damages caused by the fault, misconduct or gross negligence of a party, GXI shall not be liable to the other for any damages arising out of or relating to:
- 9.1.1. Service interruptions, interoperability, interaction or interconnection of GXI's equipment and systems, with LGU's equipment and systems, whatsoever the cause of the interruption, interoperability, interaction or interconnection and however long it shall last, whether caused by or with applications, equipment, services or networks provided by GXI, LGU, or by third parties; or through unauthorized access to or by theft, alteration, loss or destruction of LGU's applications, data, programs, information, network or



systems through accident, fraudulent means or any other method by LGU's clients, users and third parties.

9.1.2. Communications/transactions that fail to reach their designated beneficiary, or any failure to deliver communication/transaction intended for end users, EXCEPT where such failures occur because a Party has not complied strictly with all of its obligations under this Agreement.

9.1.3. In any event, neither Party will be liable to the other for any special, indirect, consequential, or incidental damages, including loss of profits or revenues or loss of prospective business advantage, regardless of whether the Party had been advised of such damages or whether that liability arises in contract, tort, strict liability, breach of warranty, or otherwise.

9.2. Each Party shall hold the other free and harmless and indemnify the other from third party claims, suits or demands which are due to negligent or fraudulent acts or omissions or willful misconduct attributable to the indemnifying Party. The Parties shall jointly work to address any such third-party claims.

10. INTELLECTUAL PROPERTY RIGHTS

10.1. Any and all copyright, industrial rights and intellectual property rights over any and all software, hardware, tools and materials (the "**Materials**") provided by the Parties and used, directly or indirectly, in the installation and provision of the services and facilities referred to in this Agreement, belong to and is owned exclusively by the Parties and/or its Licensors. Materials shall include, but not be limited to, the following:

- a) The business model, trademarks, associated logos, business applications and processes,
- b) All relevant specifications, routines, subroutines, techniques, systems, programs, methodologies, formulas, software, including those licensed or subcontracted from a third party, used in relation to the services, facilities subject of this Agreement;
- c) User and system documentation;
- d) Master and transaction data files; and
- e) Any writing or work of authorship, regardless of medium, created or developed by the Parties in the course of performing the services or operations under this Agreement.

10.2. The Parties shall take all reasonable measures to protect each Party's copyright, industrial rights and intellectual property rights over the Materials.

11. CONFIDENTIALITY

11.1. No public announcements of this Agreement or the transactions contemplated hereunder shall be issued or published, or caused or permitted to be issued or published, by either Party without the prior written consent of the other, which consent shall not be unreasonably withheld.

11.2. Neither of the Parties shall disclose (i) the contents of this Agreement to any third party other than its professional advisers without the prior approval of the other Party or unless required to make such disclosure pursuant to any applicable law; (ii) any details or information about the other Party's business or activities or confidential or proprietary information of the other Party, acquired as a result of their relationship evidenced herein; (iii) the Client Information, except in accordance with the Mutual Confidentiality and Non-Disclosure Agreement executed by the Parties or if required by an order of the court or other competent authority.

11.3. If either Party makes any disclosure to a professional adviser or any other Party, when permitted under this Article, that Party shall ensure that the recipient of the information



- covenants on similar terms as those appearing in this Article to keep such information confidential except in accordance with applicable law.
- 11.4. Each Party shall use its best efforts to ensure that its distributors, agents and contractors who are at any time in possession of such confidential information do not disclose or suffer or permit the disclosure of such confidential information, including by having such distributors, agents and contractors execute a non-disclosure agreement if requested by GXI.
- 11.5. LGU must comply with the provisions of RA 10173 - otherwise known as the Data Privacy Act of 2012 and its Implementing Rules and Regulations, against unauthorized use and/or disclosure of all personal information that are processed, gathered and generated from the public through the GCash system. Likewise, LGU shall make necessary measures for the protection and handling of the data generated from these transactions.

12. DATA PRIVACY

- 12.1. The following provisions will take effect, only if applicable and to the extent necessary to protect any sensitive personal data exchanged between the Parties.
- 12.2. To the extent that LGU collects, processes and accesses GXI client Personal Data in the provision of the herein Scope of Services, LGU shall process client Personal Data strictly in accordance with GCash's instructions as described in this Agreement.
- 12.3. LGU shall be responsible for observing, in strict manner, the following policies/procedures adhered to by GXI in terms of security measures and data processing as described below.
- 12.4. Organizational Measures
- 12.4.1. Appointment of Data Protection Officer ("DPO") who shall serve as the focal person to ensure the security and protection of the shared collected and processed Personal Data. The DPO shall provide a greater stance to remain competitive in the dynamic global landscape of data protection while ensuring to improve client service and enhance responsiveness to growing public awareness and regard for Personal Data protection.
- 12.4.2. As such, the DPO will be the first point of contact for questions about this Agreement with Data Privacy concerns any complaint filed by the data subjects and/or investigation by the National Privacy Commission. For any problem such as a potential information security breach and/or any doubt or questions with regard to the terms and requirements of this Agreement, the relevant DPO must be contacted.

Name and contact details of appointed DPO

Name: LILIAN A. POCSON

Designation: SUPERVISING ADMINISTRATIVE OFFICER IV (PUBLIC AFFAIRS, INFORMATION AND ASSISTANCE OFFICE)

Email Address: ilianantonio4084@gmail.com

12.5. Technical Measures

- 12.5.1. Technical security measures to protect shared Personal Data are employed as follows:
- a) Network security against accidental, unlawful or unauthorized usage that will affect data integrity or hinder the functioning or availability of the system, and/or unauthorized access;
 - b) Maintain measures to ensure confidentiality, integrity, availability and resilience of Personal Data processing systems and services;



- c) Ability to restore the availability and access to Personal Data in a timely manner in the event of physical or technical incident;
- d) Regular testing, assessment and evaluation of the effectiveness of security measures;
- e) Control and limit access on digitally processed Personal Data to authorized person through encryption whether data is at rest or while in transit using Advance Encryption Standard with a key size of 256 bits (AES). Employ authentication process and other technical authentication security tools. Passwords used to access data should be of sufficient strength to deter password attacks and other technical security measure;
- f) Encryption of data transferred via email or use of secure email facility with encryption feature for data including any attachments;
- g) Use of systems that scan outgoing emails and attachments for keywords that would indicate the presence of Personal Data, and as appropriate, prevent its transmission;
- h) Encryption of data in portable media used, such as USB drives, to store or transfer Personal Data and full disk encryption for laptops used to store Personal Data;
- i) Use of identity authentication method such as one-time PINs when removable physical media will be used to transfer Personal Data.

12.6. LGU shall obtain consent from GXI prior to any use of shared Personal Data for purposes other than the specified use in this Agreement.

12.7. Engagement of another processor (sub-processor) by LGU is not allowed without prior knowledge or instruction from GXI.

12.8. LGU shall assist GXI, by appropriate technical and organizational measures and to the extent possible, fulfill obligation to respond to requests by data subjects to be informed of the collection and processing of their Personal Data; to access and correct, as necessary, their Personal Data, to request for blocking of use of their data as previously allowed or request for the erasure of their data from the files of GXI and/or LGU; and to provide a process for GXI clients to file complaint and claim for damages if warranted.

12.9. LGU shall notify GXI of any breach or attempted breach of Personal Data within twenty-four (24) hours upon occurrence, knowledge or discovery thereof, including the receipt of any legally binding demands from law enforcement authority for disclosure of, or other assistance or legal judicial process to disclose any Personal Data other than the data subject. In which case, LGU will not be held in breach of the Agreement for complying with such obligations to the extent that it is legally bound.

12.10. GXI as controller remains the primary information owner and record keeper for the Personal Data collected and processed by LGU.

12.11. Data Quality

The Parties to this Agreement shall be responsible for ensuring the quality in terms of accuracy and validity of the Personal Data that is being collected and processed.

12.12. Audit Obligations

12.12.1. GXI shall be entitled to, prior to and/or during the commencement of the processing of Personal Data of GXI clients, and at annual intervals thereafter, audit the physical, technical, and organizational security measures implemented by LGU. The audit is



to check for compliance with this Agreement, and the Applicable Privacy Law. GXI shall document the results of such audit.

12.12.2. In the course of such audit, GXI may, among others, conduct the following measures:

- a) Obtain information from LGU on the process related to the Scope of Service.
- b) Request LGU to submit an existing attestation or certificate by an independent professional expert on their compliance to Data Privacy and Security Requirements as required by Applicable Privacy Law, if there is any.

12.12.3. LGU shall, at GXI's written request and within a reasonable period of time, submit to GXI any and all information, documentation, and/or other means of factual proof necessary for the conduct of an audit.

13. IMPLICATION OF FRAUD

13.1. In addition to the penalties and consequences stipulated in this Agreement and Applicable Law, transactions processed and/or approved fraudulently ("Fraudulent Transactions") shall be revoked. Failure to follow standard procedures resulting in transactions deemed by GXI to be fraudulent transactions shall be tantamount to having been committed with Fraud.

13.2. If Fraud is committed and/or participated in by either, its employees, agents, or Sub agents, the innocent party GXI shall, at its election be entitled to any combination of, or all of the following remedies:

- a) Full recovery/reimbursement for direct costs and expenses incurred by GXI on account of the Fraud.
- b) Blacklisting of the relevant involved agents or agent networks, individuals or employees.
- c) Termination of this Agreement for the erring party's material breach.

13.3. In addition, GXI shall periodically require Merchant to implement anti-fraud measures in order to ensure smooth and uninterrupted provision of Services, appropriate compliance under the terms of this agreement and all Applicable Law.

14. MISCELLANEOUS PROVISIONS

14.1. Relationship of the Parties

14.1.1. Nothing in this Agreement shall be construed as constituting any of the Parties as a partner, agent, employer or representative of the other, it being understood that the relationship of the Parties to each other is as independent contractors to the other.

14.1.2. No Party shall have any fiduciary obligations to the other arising out of the provision of the Services or this Agreement.

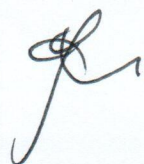
14.1.3. Nothing in this Agreement shall be construed as giving any Party any right or authority to act for, or represent or otherwise assume any obligation on behalf of or in the name of the other Party, and each Party agrees to indemnify the other and hold it harmless from and against any claims, losses or damages whatsoever arising in respect of liabilities incurred as a result of its unauthorized act or representation or assumption on behalf of or in the name of the other Party.

14.2. Assignment

LGU may not assign any of its rights and interest under this Agreement to any third person without the prior written consent of the other Party.

14.3. Remedies, Waivers and Amendments

14.3.1. No failure to exercise nor any delay in exercising any right or remedy under this Agreement on either Party's part shall operate as a waiver thereof, except where specific time limits have been imposed elsewhere in this agreement, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise



thereof of any other rights or remedies. The rights and remedies herein provided are cumulative and not exclusive of any provided by law.

14.3.2. This Agreement shall not be modified or amended except as agreed by the Parties and as recorded in writing.

14.3.3. Any waiver of any Party's rights, powers, privileges or remedies must be in writing and signed by that Party, and any such waiver given by a Party shall only relate to the particular event for which it is given.

14.4. Notices

14.4.1. Notices or communication to GXI under this Agreement shall be in writing and shall be delivered personally or transmitted by registered, hand written or electronic mail:

To GXI:

Name: Ronelo Buhawe
Designation: ACCOUNT MANAGER
G-Xchange, Inc.
8 Floor, W Global Center,
30th corner 9th Avenue
Bonifacio Global City, Taguig City, 1634
Email: ronnie.buhawe@mynt.xyz

To LGU:

Name: DELIA C. VILBAR
Designation: CITY TREASURER
Address: IT OFFICE, 2ND FLOOR, NEW ORMOC CITY HALL
Email: MELCHIZEDECYAP@YAHOO.COM

14.4.2. All notices shall be deemed duly given on the date of receipt, for which proof must be submitted, if transmitted personally or transmitted by registered, hand written or electronic mail. Either Party may change its address for purposes hereof by giving notice to the other Party.

14.5. Interpretation

14.5.1. In this Agreement, section headings are used for convenience and reference only and shall be disregarded in the interpretation of this Agreement.

14.5.2. Unless the context otherwise indicates, references to a section shall be construed as references to a section of this Agreement; references to any statute, ordinance or other law shall include all regulations and other instruments thereunder and all consolidations, amendments, re-enactments or replacements thereof; and words importing the singular shall include the plural and vice versa, words importing the masculine gender shall include the feminine gender and vice versa, and references to a person shall be construed as references to an individual, body corporate, association (whether incorporated or not), government or private entity.

14.6. Secrecy and Other Laws

14.6.1. The Parties agree to modify the service or procedures relating thereto as necessary to comply with the Anti-Money Laundering Act of the Philippines.

14.6.2. GXI shall not be required to disclose any information to LGU, or any Client Information to any party, that in the process will violate any of the provisions of R.A. 10173 (The Data Privacy Act of 2012), R.A. 1405, as amended (the Bank Deposit Secrecy Law) or of Section 55 of R.A. 8791, as amended (the General Banking Law of 2000) or the Anti-Money Laundering Law (RA 9194) and its Implementing Guidelines and relevant memoranda issued by the Anti-Money Laundering Council or the Securities and Exchange Commission.

14.6.3. LGU shall not be required to disclose any information to LGU that in the process will violate the R.A. 10173 (The Data Privacy Act of 2012), Secrecy of Communications



law, the Public Telecommunications Policy Act (RA 7925), the Anti-Wire Tapping Law, or the International Treaty on the Secrecy of Communications or circulars and issuances of the National Telecommunications Commission or the International Telecommunications Union relative to the secrecy of communications. However, Parties agree that where GXI is conducting an investigation related to fraud or potential fraudulent activity, LGU as a part of the investigation shall provide GXI with such sensitive information as may be relevant and necessary for the effective conduct of the investigation. LGU agrees that it shall not reject reasonable requests for such information that is related to or a part of an investigation carried out by GXI.

14.6.4. GXI and LGU will, however, provide the appropriate disclosure where so required by the Anti-Money Laundering Law (RA 9194) and its Implementing Guidelines and relevant memoranda issued by the Anti-Money Laundering Council or the Securities and Exchange Commission. In addition, LGU shall:

14.6.5. Retain all records of clients doing GCash transactions for a period of three (3) years.

14.6.6. Grant GXI access at any time, with adequate prior notice, to any records of GCash transactions.

14.7. Force Majeure

GXI or LGU shall not be liable or deemed to be in default hereunder for any delay or failure in the performance of any of its obligations under this Agreement resulting from any cause, beyond the control of GXI or LGU such as, acts of God, acts of public enemy, acts of the government, civil or military wars, fires, floods, earthquakes, natural disasters, epidemics, quarantine restrictions, unanticipated strikes and freight embargoes.

14.8. Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Republic of the Philippines.

14.9. Settlement of Disputes

14.9.1. Any dispute arising between the Parties hereto in respect of the interpretation of this Agreement and the performance of obligations hereunder shall be settled amicably by mutual consultations as far as practicable.

14.9.2. In the event that the Parties are unable to settle disagreements within thirty (30) days of mutual consultation, they have the right to refer all differences and disputes arising from this Agreement for adjudication and determination of issues in the court of appropriate jurisdiction in Taguig City, Philippines.

14.10. Entire Agreement

Except for the Mutual Confidentiality and Non-Disclosure Agreement executed between the Parties, this Agreement constitutes the entire agreement of the Parties as to its subject matter and supersedes all prior agreements, understandings and negotiations, written or unwritten, as to such subject matter.

14.11. Severability

If any provision of this Agreement, or the application thereof to any Party hereto, is held illegal, null, void, unenforceable or otherwise invalid by any law, decree, ordinance or judicial or administrative decision, such holding shall not affect the other provisions of this Agreement which can be given effect without the invalid provision, and to this end the Parties agree that the provisions of this Agreement are and shall be severable, provided that if such invalidated provision is deemed essential by any Party or if such invalidation affects any other provision deemed essential by any Party to the satisfactory performance of this Agreement, then, upon written notice being given by such Party to the other Party, the Parties shall promptly negotiate in good faith to the end that this Agreement may be amended in such manner as may be necessary to make it fair and equitable to both Parties.



14.12. Sanctions and Penalties

In addition to the other rights available to GXI under this Agreement and Applicable Laws, GXI shall ensure that LGU and its agents comply with the agreed scope of GCash Services to be offered to the public as indicated in Article 1 as well as the implementation of the proper processing of GCash transactions. GXI shall:

- a) Check and monitor LGU's GCash account;
- b) Conduct audit in relation to the use of GCash Mobile Solution;
- c) Suspend or deactivate access to GCash Mobile Solution or terminate this Agreement if GCash Mobile Payment Solutions are used not in accordance with its intended purpose.

WHEREFORE, the duly authorized representatives of the Parties hereby accept and agree to the terms and conditions of this Agreement on the date indicated below in the City of Taguig.

For and on behalf of
G-XCHANGE, INC.
By:

For and on behalf of
LOCAL GOVERNMENT OF ORMOC CITY
By:

JOSE LUIS G. REYES
Vice President for Enterprise
Date signed:

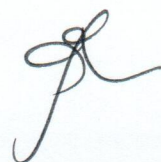
HON. MAYOR RICHARD I. GOMEZ
City Mayor
Date signed:

Signed in the presence of:

CATHLYN DOLOR PAVIA
Assistant Vice President for Enterprise
Date signed:

DELIA C. VILBAR
City Treasurer
Date signed:

RONELO BUHAWE
Account Manager
Date signed:



MEMORANDUM OF AGREEMENT FOR SCAN TO PAY SERVICE

This Memorandum of Agreement for GCash Scan to Pay Service (this "Agreement") is entered into by and between the parties named below who agree on the following terms and conditions:

A. G-XCHANGE (GXI)

G-XCHANGE, INC., a corporation organized and existing under Philippine laws, with business address at 8th floor, W Global Center, 30th Street corner 9th Avenue, Bonifacio Global City, 1634 Taguig City, Metro Manila, represented herein by its *Vice President and Head of Enterprise Group*, **Jose Luis G. Reyes**.

B. LGU

THE LOCAL GOVERNMENT UNIT OF ORMOC CITY, a local government unit duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal office at New Ormoc City Hall, Aunubing Street, Ormoc City, Leyte, represented herein by its City Mayor, **Richard I. Gomez**, and hereinafter referred to as "LGU";

C. SERVICE DESCRIPTION

GXI shall provide the **GCash Scan to Pay Service** to the LGU using related GCash Scan to Pay Tools as stated in Annex 1 at the LGU's Scan to Pay Sites as stated in Annex 2 (hereinafter, the "SCAN TO PAY SERVICE").

D. LGU DISCOUNT RATE

GXI shall collect a LGU Discount Rate (LDR) as provided in the Applicable LDR and Settlement Facilities (Annex 3), which is equivalent to the percentage of all approved payment transactions made to LGU through the Scan to Pay Service.

E. TERM

This Agreement shall be binding between the LGU and GXI for a term of one (1) year commencing from the date of signing, subject to auto-renewal for successive terms of one (1) year each, unless or until terminated by GXI by providing the LGU with a written notice, at least thirty (30) days prior to the effective date of termination.

F. CONTACT PERSONS

For GXI:	For LGU:
Account Manager: RONELO BUHAWE Vertical Head/ Signatory: JOSE LUIS G REYES	Representative: DELIA C. VILBAR (CITY TREASURER)
Address: 8F, W Global Center, 9 th Avenue corner 30 th Street, Bonifacio Global City, Taguig City	Address: City Treasurer's Office, 2nd Floor, New Ormoc City Hall
Contact Number/s: 09176881507	Contact Number/s: 09175173178
E-mail Address/es: Ronnie.buhawe@mynt.xyz	E-mail Address/es:cto.ormoc@gmail.com



G. DEFINITIONS FORMING PART OF THIS AGREEMENT

"Applicable Law" means the laws of the Republic of the Philippines, including but not restricted to, all laws, rules and regulations related to electronic money issuance, money remittance, mobile payments, and all applicable anti-money laundering, anti-fraud, anti-corruption and anti-bribery laws.

"LDR" or "LGU Discount Rate" means a fee earned by the GXI at a specific percentage of every transaction successfully processed by LGU as specified in clause D.

"Fraud" means an intentional deception made and/or conducted by either party, its employees, agents or assigns, branches, network outlets, whether acting individually, or together, or in collusion with a third party, for his or their personal gain, profit or some unfair or dishonest advantage, or to damage the innocent party, its subsidiaries or affiliates, relating to the processing, submission of illegitimate or fictitious transactions or abuse not consistent with the purpose for which the agreement and transactions were intended for. For purposes of this definition, either party, its agents, and Sub agents are assumed to be the respective party's employees, agents or Sub agents.

"Fraudulent Activities" means activities involving Fraudulent Transactions as defined below.

"Fraudulent Transactions" means transactions processed and/or approved fraudulently.

"Unauthorized Use of Services" means any use of the GXI provided solutions not specifically and explicitly authorized or permitted in this Agreement and includes, but is not limited to anything not specifically authorized by GXI, in writing.

H. PREVENTION OF FRAUDULENT ACTIVITIES

Both Parties are required to use all necessary efforts to prevent the occurrence of Fraudulent Activities while processing transactions using the GCash Scan to Pay Service. The innocent party shall not pay the erring party for any transactions caused by Fraudulent Activities or abuse or services or features not expressly authorized by the innocent party under this agreement. Notwithstanding anything to the contrary in this Agreement, in the event that either party becomes aware of the occurrence of Fraudulent Activities, abuse or unauthorized use of services, the innocent party shall consider any payment made pursuant to the Fraudulent Activity or any suspicious transactions as excess payment. Both Parties shall inform the other of the occurrence of Fraudulent Activities or unauthorized use of services and of the amount of the excess payment, as soon as practical.

If either party reasonably believes that it has made an excess payment to the other, the party reasonably believing that it has made an excess payment to the other shall be entitled to deduct the excess payment from future payments to the other party upon prior written notice. In the event that the other party disputes the existence or amount of any such excess payment, such dispute shall be settled by an Independent Auditor, pursuant to rules and procedures agreed upon by both Parties.

The foregoing shall be without prejudice to the right of GXI to disconnect the Services or block access thereto in the event it detects Fraud or Fraudulent Activity, provided that GXI has provided the LGU with written communication, in any form, of the suspected Fraudulent Activity prior to, or if such prior communication is not reasonably practicable, immediately after such disconnection.



In the event that: (a) GXI receives any complaint by a GCash user of any unauthorized or erroneous activity, or detects any unusual traffic or activity from the LGU, a particular user, or group of users; and (b) after investigation, reasonably determines that such unauthorized or unusual activity was attributable to a wrongful act or negligence of the LGU or its agents, then GXI shall have the right to set off against payments due to the LGU, any costs to GXI resulting from such activity or traffic.

GXI's investigation and determination as to whether such complaint or activity amounts to Fraudulent Activity or unauthorized use of the services shall be final and conclusive. In the event that any such unauthorized or unusual activity is not due to any wrongful act of the LGU, but is reasonably determined by GXI to be due to circumstances or results that were unanticipated by GXI and LGU at the time this Agreement was executed, GXI and LGU shall work together in good faith to resolve the issue.

Either party shall be entitled to set off any sums that the other may owe to the other party by virtue of this or any other Agreement between the Parties, against any payments due to the other under this Agreement. The party offsetting shall notify the other of the set off at least two (2) business days prior to release of payment. The party to be offsetted against shall confirm or contest the existence of any existing obligation proposed to be set off in favor of the other within one (1) business day from receipt of the notice to set off; otherwise, the party offsetting shall implement the set off.

I. OBLIGATIONS OF THE PARTIES

LGU and GXI shall strictly comply with all Applicable Laws, rules and regulations relating to its business at its respective place or site of business. Any material breach of a Party's obligations under this clause shall trigger the non-breaching Party's rights accordingly.

LGU shall monitor all transactions taking place pursuant to this Agreement and shall additionally ensure effective monitoring of such transactions. LGU shall report in writing any and all suspicious transactions to GXI within two (2) business days of the date of identification. Where LGU is unsure of the legitimacy of a transaction, it shall inform GXI within two (2) business days.

LGU's employees, agents or assigns, partners or sub LGUs identified to have participated or aided in or have been involved with, or who GXI reasonably believes has been involved with Fraudulent Activities or Fraudulent Transactions shall be prohibited by the LGU from using, managing, supervising or otherwise being involved in any way with the GCash Scan to Pay tools or Service, within 24 hours from receipt of GXI's notice. LGU agrees that failure to do so shall give GXI the right to unilaterally deactivate/suspend any or all GCash services to LGU.

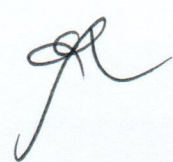
LGU commits to support any investigation of Fraud, abuse and/or potential abuse and provide GXI with any information GXI deems necessary to progress such investigation, including providing GXI with details of its employees, agents, or clients that LGU suspects of having committed Fraud or Fraudulent Transactions or acts.

Any violation of this clause will be considered a material breach of the Agreement and shall give the non-breaching Party the right to terminate the Agreement forthwith. The non-breaching Party's right to terminate this Agreement shall be in addition to all other rights, remedies and recourse available to it under Applicable Law.

J. MUTUAL COOPERATION

The Parties shall cooperate with each other in good faith, in order to achieve the objectives set forth in this Agreement.

The Parties are committed to developing an anti-fraud culture and eliminating the opportunities for fraud, bribery, and corruption.



The Parties, its agents, and employees shall not tolerate fraud, bribery, and/or corruption of any kind. The parties shall seek to take disciplinary action against those found to have attempted to perpetuate and/or have perpetrated fraud and abuse.

The Parties are committed to conducting business fairly, openly, and honestly and in accordance with the highest ethical and legal standards.

Either party may impose sanctions as stipulated above in the event that the innocent party becomes aware of any violation of this clause. In the event that the innocent party chooses to impose sanctions, the erring party can appeal the innocent party's decision by providing relevant documents with a reasonable explanation regarding the violation. The innocent party has the right to hold the balances in the erring party's account up until the investigation is final. The result of the innocent party's investigation will be final and irrevocable.

K. IMPLICATION OF FRAUD

In addition to the penalties and consequences stipulated in this Agreement and Applicable Law, Fraudulent Transactions shall be revoked. Failure to follow standard procedures resulting in transactions deemed by either party to be Fraudulent Transactions shall be tantamount to having been committed with Fraud.

If Fraud is committed and/or participated in by either party, its employees, agents, or Sub agents, the innocent party shall, at its election be entitled to any combination of, or all of the following remedies:

- a) Full recovery/reimbursement for direct costs and expenses incurred by the innocent party on account of the Fraud;
- b) Blacklisting of the relevant involved agents or agent networks, individuals or employees; and/or
- c) Termination of this Agreement for LGU's material breach.

In addition, both parties shall periodically require each other to implement anti-fraud measures in order to ensure smooth and uninterrupted provision of Services, appropriate compliance under the terms of this agreement and all Applicable Law.

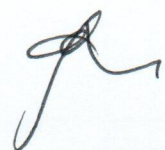
L. DOCUMENTS FORMING PART OF THIS AGREEMENT

This Agreement shall consist of these first four (4) pages and the following Annexes:

Annex 1	General Terms and Conditions of the Scan to Pay Service
Annex 1-A	Pre-onboarding Requirements
Annex 2	Scan to Pay Sites
Annex 3	Applicable MDR and Settlement Facilities
Annex 4	Reversals and Refunds

which shall constitute one comprehensive document that both parties have read, understood, and agreed to, without prejudice to any supplement or amendment that the Parties may execute subsequent or pursuant to this Agreement.

In the event of any conflict or inconsistency between the main body of this Agreement, as contained in the first four pages, and the Annexes, the provisions of the main body shall prevail.



WHEREFORE, the duly authorized representatives of the Parties hereby accept and agree to the terms and conditions of this Agreement on the date indicated below in the City of Taguig.

For and on behalf of
G-XCHANGE, INC.
By:

JOSE LUIS G. REYES
*Vice President and
Head of Enterprise Group*
Date signed:

For and on behalf of
LOCAL GOVERNMENT UNIT OF ORMOC CITY
By:

HON. MAYOR RICHARD I. GOMEZ
City Mayor
Date signed:

Witnesses:

CATHLYN DOLOR PAVIA
Assistant Vice President, Enterprise
Date signed:

DELIA C. VILBAR
City Treasurer
Date signed:

RONELO BUHAWE
Senior Account Manager
Date signed:



MUTUAL CONFIDENTIALITY AND NON-DISCLOSURE AGREEMENT

This Mutual Confidentiality and Non-Disclosure Agreement (the "Agreement") is entered into by G-Xchange, Inc. and the Second Party named hereunder, who agree as follows:

A. G-XCHANGE, INC.

G-XCHANGE, INC. DBA GXI, a corporation duly organized and existing under the laws of the Republic of the Philippines, with business address at W Global Center, 9th Avenue corner 30th Street, Bonifacio Global City, 1634 Taguig City, Philippines.

B. Second Party

THE LOCAL GOVERNMENT UNIT OF ORMOG CITY

a corporation /partnership /sole proprietorship duly organized and existing under and by virtue of the laws of the REPUBLIC OF THE PHILIPPINES, with office address at New Ormoc City Hill, Anubing Street, Ormoc City, Leyte

C. Description of Potential Transaction

PAYMENTS FOR TAXES AND OTHER GOVERNMENT FEES

(the "Potential Transaction").

D. Entire Agreement

The Mutual Confidentiality and Non-Disclosure Agreement and Terms and Conditions stated below constitute the entire agreement of the parties and shall govern their relationship.

TERMS AND CONDITIONS

ARTICLE 1 CONFIDENTIAL INFORMATION

All communications or data, in any form, whether tangible or intangible which are disclosed or furnished by any director, officer, employee, agent, consultant, successor, or assign of any department or business area of any party hereto, including their affiliates and subsidiaries, (hereinafter "Disclosing Party") to the other Party, including their affiliates and subsidiaries, (hereinafter "Receiving Party") and which are to be protected hereunder against unrestricted disclosure or competitive use by the Receiving Party shall be deemed to be "Confidential Information".

As used herein, the term "Confidential Information" shall mean all non-public, confidential or proprietary information disclosed hereunder, in any tangible or intangible form, such as but not limited to written, oral, visual, audio, those produced by electronic media, or through any other means, that is designated as confidential or that by its nature or circumstances surrounding its disclosure, should be reasonably considered as confidential. Confidential Information shall include, but not be limited to, products or planned products, processes and/or procedures, technological achievements and interests, customers and potential customers, business prospects, financial statements and information, financial situation, and corporate plans, internal activities, future plans of both parties, and other information deemed proprietary or confidential by the Disclosing Party or any other matter in which the Disclosing Party may have any interest whatsoever. Confidential Information should be marked with a restrictive legend of the Disclosing Party. If information is not marked with such legend or is disclosed orally, the information will be identified as confidential at the time of disclosure. The information will be considered confidential if these are clearly recognizable as confidential information to a prudent person with no special knowledge of the Disclosing Party's industry.

Each Disclosing Party hereby represents and warrants to the Receiving Party that it has lawful rights to provide the Confidential Information. Confidential Information will be disclosed either:

- in writing,
- by delivery of items,
- by initiation of access to Information, such as may be in a database, or
- by oral or visual presentation

Confidential Information shall also include any materials, information, processes, plans, and procedures treated by the Disclosing Party as, and deemed under applicable law to be, trade secrets ("Trade Secrets").

ARTICLE 2 EXCEPTIONS TO THE SCOPE OF CONFIDENTIAL INFORMATION

The term Confidential Information does not include information which:

- has been or becomes now or in the future published in the public domain without breach of this Agreement or breach of a similar agreement by a third party; or
- prior to disclosure hereunder, is properly within the legitimate possession of the Receiving Party, which fact can be proven or verified by independent evidence; or
- subsequent to disclosure hereunder, is lawfully received from a third party having rights therein without restriction on the third party's or the Receiving Party's rights to disseminate the information and without notice of any restriction against its further disclosure; or
- is independently developed by the Receiving Party through persons who have not had, either directly or indirectly, access to or knowledge of such information which can be verified by independent evidence; or
- is disclosed with the written approval of the other party or after the applicable period of confidentiality pursuant to Article 4 has expired.

ARTICLE 3 DATA PRIVACY

In any case where Recipient will access, handle or use any data that relates to or identifies any natural person ("personal data") in connection with its dealings with GXI, Recipient will:

- access, handle, and use such personal data only as needed under this Agreement or in order to comply with applicable laws or court orders;
- follow any instructions provided by GXI to Recipient relating to compliance with any laws, regulations, court orders, or self-regulatory programs applicable to the collection, use, and disclosure of personal data;
- maintain commercially reasonable policies and procedures to protect the privacy, integrity, and confidentiality of such personal data;
- notify GXI immediately, which in all cases shall not be more than 24 hours from occurrence or discovery thereof, in the event of any breach of the security of such personal data, and cooperate with GXI in any post-breach investigation or remediation efforts;
- notify GXI promptly in the event that Recipient is required by law, court order, warrant, subpoena, or other legal or judicial process to disclose any such personal data to any person other than GXI, or another subcontractor expressly GXI;
- return or destroy all such personal data promptly upon the termination of this Agreement, or at any time during the term of this Agreement upon written instructions from GXI; and
- comply with the Data Privacy Act of 2012 and its Implementing Rules and Regulations.

ARTICLE 4 DURATION OF THIS AGREEMENT

This Agreement shall expire one (1) year from the date hereof or upon the termination of the evaluation or pursuit of the Potential Transaction or by a Party's one month written notice of termination of this Agreement to the other; provided, however, that the Receiving Party's obligations with respect to the Confidential Information shall survive for one (1) year following the date of such termination of this Agreement (the "Term").

ARTICLE 5 RESTRICTIONS ON USE: NO GRANT OF RIGHTS

Each party agrees to use the Confidential Information received from the other party only for the purpose of the Potential Transaction in Clause C.

The Receiving Party agrees, for itself, its subsidiaries, and affiliates, and its and their respective directors, employees, agents, consultants, successors, and assigns, to (a) hold all Confidential Information (regardless of whether it is specifically marked confidential or not) in strict confidence; (b) transmit the Confidential Information only to its respective agents, consultants, and employees on a need-to-know basis and after each one of them has agreed to be bound by the terms and conditions of this Agreement and not to disclose the same except as provided herein; (c) not to directly or indirectly use, copy, digest, or summarize any Confidential Information except as provided in this Agreement, and (d) not to disclose any Confidential Information to any other party without the prior written consent of the Disclosing Party. The Receiving Party expressly agrees not to use the Confidential Information to gain or attempt to gain a competitive advantage over the Disclosing Party.

The Receiving Party will not permit copies of the Confidential Information to be made without the express written consent of the Disclosing Party. Copies shall be deemed confidential and in all respects subject to the terms of this Agreement.

MUTUAL CONFIDENTIALITY AND NON-DISCLOSURE AGREEMENT

If requested by the Disclosing Party, the Receiving Party shall acknowledge receipt of any Confidential Information by signing receipts, initialing documents, or any other means that the Disclosing Party may reasonably request.

Except for purposes of the Potential Transaction stated in Clause C, the Receiving Party will not permit copies of the Confidential Information to be made without the express written consent of the Disclosing Party. Copies shall be deemed confidential and in all respects subject to the terms and conditions of this Agreement.

No other rights, and particularly no license and no assignment of intellectual property right including copyright, patent rights, design rights, trade marks, and mask work protection rights are implied or granted under this Agreement. Neither Party shall make use of the existence of any bilateral business relationship between them for the purpose of their own advertisement.

ARTICLE 6 PROPERTY OF DISCLOSING PARTY

All Confidential Information, unless otherwise specified in writing, shall remain the sole and exclusive property of the Disclosing Party and shall be used by the Receiving Party only for the purpose intended herein, except as may be required by applicable law or legal process.

If the Receiving Party is requested by a Governmental entity or other third party to disclose any Confidential Information, it will promptly notify the Disclosing Party to allow the latter to seek a protective order or take other appropriate action at the sole cost and expense of the Disclosing Party. The Receiving Party will also cooperate in the Disclosing Party's efforts to obtain a protective order or other reasonable assurance that confidential treatment will be afforded the Information. If in the absence of a protective order and the Receiving Party is compelled as a matter of law to disclose the Information, based upon the written opinion of the Receiving Party's counsel addressed to the Disclosing Party, the Receiving Party may disclose to the party compelling the disclosure only the part of the Confidential Information as required by law to be disclosed. The Receiving Party will advise and consult with the Disclosing Party and its counsel as to such disclosure and the nature and wording of such disclosure and the Receiving Party will use its best efforts to obtain confidential treatment therefor.

ARTICLE 7 SAFEKEEPING

The Receiving Party shall use the same care to avoid disclosure or unauthorized use of the Confidential Information as it uses to protect its own confidential information, but in no event less than reasonable care. It is agreed that:

- all Confidential Information shall be retained by the Receiving Party in a secure place with access limited only to the Receiving Party's employees or agents who need to know such information for purposes of this Agreement; and
- Confidential Information will be disclosed only to each party's respective employees who are involved in the Potential Transaction and to third party consultants or advisers who have been engaged for the purpose of discussing the Potential Transaction, which the Disclosing Party has prior notice of such engagement, provided that in the event of such disclosure to any third person or entity not employed or retained by the Receiving Party, the Receiving Party shall nonetheless remain liable for any unauthorized disclosure by such person or entity.

It is further agreed that the Receiving Party shall ensure that all of its employees and consultants (including employees and consultants of its parent, subsidiaries and affiliates) having access to Confidential Information adhere to the terms and conditions of this Agreement as if they were parties hereto.

ARTICLE 8 RETURN OF CONFIDENTIAL INFORMATION

All Confidential Information, including but not limited to copies, summaries, excerpts, extracts or other reproduction thereof, shall be returned, within seven (7) days from receipt of notice, to the Disclosing Party or destroyed after the Receiving Party's need for it has expired or upon request of the Disclosing Party, and in any event, upon termination of this Agreement.

Further, in any event at any time a Receiving Party ceases to have an active interest in the Potential Transaction, it will immediately return to the Disclosing Party all copies of written, taped or audio-visual recorded Confidential Information in its possession and promise not to retain any such copies. That portion of Confidential Information which consists of analysis, compilation, forecasts, studies or other documents prepared by the Receiving Party, its consultants, agents or employees will be destroyed immediately upon the Disclosing Party's request or at the expiration of this Agreement, and any verbal Confidential Information will continue to be subject to the terms and conditions of this Agreement. Upon request of the Disclosing Party, the Recipient shall certify in writing that it has complied with the obligations set forth in this paragraph.

ARTICLE 9 NO OBLIGATION TO CONTRACT

This Agreement does not constitute a proposal or offer for any specific business whatsoever between the parties, and is only intended to bind the parties to the confidentiality and limited use of the Confidential Information.

Nothing in this Agreement shall impose any obligation upon either Party to consummate a transaction, to enter into any discussion or negotiations with respect thereto, or to take any other action not expressly agreed to herein. Neither Party shall have any obligation to the other for any such action the other Party may take or refrain from taking based on or otherwise attributable to an information (whether or not constituting Confidential Information) furnished to such other Party hereunder.

ARTICLE 10 REMEDY AGAINST DEFAULTING PARTY

The parties acknowledge and agree that disclosure, divulgence, or unauthorized use of the Confidential Information could damage the Disclosing Party and that such Disclosing Party, therefore, has a strong interest in protecting the Confidential Information by all legal means.

A party violating its obligations under this Agreement shall fully indemnify the other for all damages caused by such breach. Moreover, because money damages may not be a sufficient remedy for any breach of the foregoing covenants and agreements, the Disclosing Party shall be entitled to specific performance and injunctive and other equitable relief as a remedy for any such breach of this Agreement in addition to all monetary or other remedies available at law or in equity.

ARTICLE 11 NO REPRESENTATION OR WARRANTY

The Disclosing Party makes no representation or warranty as to the accuracy or completeness of the Confidential Information and the Receiving Party agrees that the Disclosing Party and its employees and agents shall have no liability to the Receiving Party resulting from any use of the Confidential Information.

However, this disclaimer shall, in and of itself, not apply to or limit any specific warranties that the Disclosing Party may expressly give in other agreements between the Disclosing Party and the Receiving Party. The Receiving Party agrees that it will form its own conclusions as to the reliability of any Confidential Information and as to any conclusions to be drawn therefrom, and will not charge the Disclosing Party with liability for any damages resulting from mistakes, inaccuracies or misinformation contained therein. The Receiving Party understands and acknowledges that the Disclosing Party does not undertake any obligations to provide any party with access to any specific or additional information.

ARTICLE 12 NON-WAIVER; REMEDIES CUMULATIVE

Any failure of either party to insist upon the strict performance of any term or condition of this Agreement shall not be deemed a waiver of any of the party's rights or remedies, including the right to insist on the strict performance of the same. No waiver or other modification to this Agreement shall be valid unless it is in writing and is signed by the parties.

The rights and remedies herein expressly provided are cumulative and not exclusive of any rights or remedies, which any of the parties would otherwise have.

ARTICLE 13 NO PUBLICITY

Neither Party hereto shall in any way or in any form disclose, publicize, or advertise in any manner the discussions that give rise to this Agreement nor the discussions or negotiations covered by this Agreement without the prior written consent of the other Party.

ARTICLE 14 INTERPRETATION AND AMENDMENT

This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof. It excludes and supersedes everything else which has occurred between the parties whether written or verbal, including all other communications with respect to the subject matter hereof. The Headings of Clauses shall not affect their interpretation.

This Agreement may not be amended or modified except in writing.

This Agreement shall not be construed in favor or against any party, but shall be construed equally as to both parties.

ARTICLE 15 SEPARABILITY CLAUSE

If any provision of this Agreement is illegal or unenforceable, its invalidity shall not affect the other provisions of this Agreement that can be given effect without the invalid provision. If any provision of this Agreement does not comply with any law, ordinance or regulation, such provision to the extent possible shall be interpreted in such a manner to comply with such law, ordinance or regulation, or if such interpretation is not possible, it shall be deemed to satisfy the minimum requirements thereof. This Agreement may be executed in two or more counterpart copies, each of which shall be deemed to be an original, but all of which shall constitute the same agreement.

ARTICLE 16 LEGAL CAPACITY OF REPRESENTATIVES

Each party represents and warrants to the other party that its representative executing this Agreement on its behalf is its duly appointed and acting

GCash

May 2021 rev.

MUTUAL CONFIDENTIALITY AND NON-DISCLOSURE AGREEMENT

representative and has the legal capacity required under applicable law to enter into this Agreement and bind it.

ARTICLE 17 GOVERNING LAW AND DISPUTE RESOLUTION

This Agreement shall be governed by and construed in accordance with the laws of the Philippines. Any dispute, controversy, or claim arising out of or relating to this Agreement, or the breach, termination or invalidity thereof, shall be settled by arbitration in accordance with the Philippine Dispute Resolution Center, Inc. (PDRCI) Arbitration Rules as at present in force.

ARTICLE 18 ELECTRONIC SIGNATURES

This Agreement may be executed electronically or by way of electronic signature and such electronic signatures shall be deemed original signatures, have the same force and effect as manual signatures and binding upon the Parties. If this Agreement shall be executed electronically, the best evidence of this Agreement shall be a copy of this Agreement bearing an electronic signature, in portable document format (.pdf) form, or in any other electronic format intended to preserve the original graphic and pictorial appearance of a document.

IN WITNESS WHEREOF, the parties have hereunto affixed their signatures this _____ at _____.

G-XCHANGE, INC.
By:

Name: Jose Luis G. Reyes
Title: Vice President, Enterprise Group
Date:

[SECOND PARTY]
By:

Name: Richard I. Gomez
Title: City Mayor
Date:

Note: Any alteration or erasure will invalidate this Agreement unless countersigned by GXI Legal.



GCash

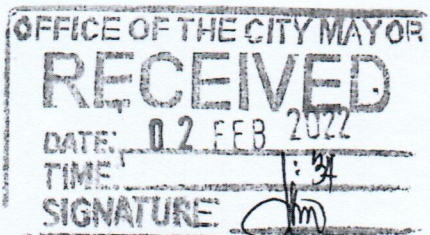
May 2021 rev.



"Annex D"

City Legal Office

2nd Floor New Ormoc City Hall
Aunubing St., Cogon, Ormoc City
(053) 255 2054 / 560 8050 loc. 1017



January 31, 2021

HON. RICHARD I. GOMEZ, DPA
City Mayor
Ormoc City

THRU: MA. VICTORIA LYRA P. DELA CERNA
City Gov't Asst. Dept. Head I

Dear Mayor Gomez:

This pertains to your referral letter dated October 8, 2021 requesting for review of 1) Mobile Payment Solutions Agreement; 2) Memorandum of Agreement (MOA) for Scan to Pay; 3) Mutual Confidentiality and Non-disclosure Agreement between the Local Government Unit (LGU) of Ormoc and the G-XCHANGE, INC. (GXI).

This office, after review and evaluation of the draft MOA, finds nothing legally objectionable therein. The same is not contrary to law, morals, public order and public policy, much less detrimental to the best interest of Ormoc City.

However, we have also coursed certain edits, which have also all been reviewed and the legal team of GXI. the following comments and observations discussed per agreement below:

Kindly see herein attached, the edited contracts as jointly approved by this Office and GXI.

The above-mentioned comments and observations for revisions are herein attached and made part of this opinion. This comment/opinion is being rendered based on the documents submitted without prejudice to contrary opinion from competent authorities and/or ruling of proper court and/or supervening event(s) or circumstances.

May we further request for your office's immediate endorsement of said contracts to the Sangguniang Panlungsod for its perusal and consideration.

For your consideration.

Respectfully yours,

MARIA ALYSSA V. RODRIGUEZ
OIC-Asst. City Legal Officer

With Conformity:

JOSEPHINE A. MEJIA-ROMERO
City Legal Officer