

Payroll Servicing Agreement

- ☐ Without KYC Outsourcing Arrangement
☐ With KYC Outsourcing Arrangement

KNOW ALL MEN BY THESE PRESENTS:

This Payroll Servicing Agreement (the "Agreement") made and entered into this _____ day of _____, 20____, by and between:

TUBBATAHA MANAGEMENT OFFICE (TMO), duly constituted and existing under the laws of the Republic of the Philippines with office and postal address at Manalo Extension Brgy. Milagrosa, Puerto Princesa, Palawan, represented by Protected Area Superintendent, MS. ANGELIQUE M. SONGCO, duly authorized for the purpose per Board Resolution No. 337 s2022 dated September 5, 2022 (attached as Annex "B"), hereinafter referred to as the "**CLIENT**";

and

DEVELOPMENT BANK OF THE PHILIPPINES, a government financial institution created and operating pursuant to the provisions of Executive Order No. 81, otherwise known as the 1986 Revised Charter of the Development Bank of the Philippines, as amended by Republic Act No. 8523 dated February 14, 1998, with principal office at Sen. Gil J. Puyat Ave. corner Makati Ave., Makati City, herein represented by JOEL G. JALBUENA, Head, Branch Banking Group- Southern Luzon, duly authorized for the purpose per Secretary's Certificate No. 0447 dated July 19, 2000 (attached as Annex "A"), hereinafter referred to as "**DBP**"

(also referred to individually as the "Party" and collectively, the "Parties")

WITNESSETH

WHEREAS, the **CLIENT** desires to obtain the services of a banking entity in order to meet its payroll servicing requirements;

WHEREAS, one of the banking services provided by **DBP** is the servicing of payroll requirements of public and private entities through the Automated Teller Machine (ATM) and as such, **DBP** is willing to extend to the **CLIENT** said ATM payroll services whereby the salaries and other benefits due to the officers and employees of the **CLIENT** shall be credited to their respective accounts with **DBP** (the "Service") on a specific date ("Payroll Credit Date"), subject to the terms and conditions as may be mutually agreed upon by the Parties herein;

NOW, THEREFORE, for and in consideration of the foregoing premises, the Parties hereby agree and stipulate as follows:

I. WITHOUT KYC OUTSOURCING ARRANGEMENT

OPENING OF CURRENT AND/OR SAVINGS ATM PAYROLL ACCOUNTS (the "ATM Account")

1. The **CLIENT** shall maintain a Current / Savings Account with **DBP Puerto Princesa Branch** with a minimum maintaining balance of **PESOS: FIVE MILLION (Php 5,000,000.00)** at any given time.
2. At the onset, the **CLIENT** shall submit a list of its officers and employees who will open an account with **DBP** as duly authenticated or certified by the **CLIENT's** Corporate Secretary or its Authorized Officer. On the other hand, an endorsement letter shall be provided by the **CLIENT** to **DBP** for its succeeding newly hired employees who will open an ATM Account.
3. The **CLIENT** shall submit a Board Resolution / Secretary's Certificate or its equivalent document designating its Authorized Signatories / Authorized Officer and attesting to the authenticity of the respective signatures of such Authorized Signatory / Authorized Officer. Any change thereto shall be immediately communicated by the **CLIENT** to **DBP** in writing as duly supported by accompanying Board Resolution covering such changes made.
4. The **CLIENT** shall advise its officers and employees of its availment of the payroll service of **DBP** under this Agreement and shall accordingly direct its Officers and Employees to open a Current / Savings ATM Account with **DBP Puerto Princesa Branch**.
5. The ATM Account opened by the **CLIENT's** officers and employees under this Agreement shall be exclusively under their name and the said officers and employees shall be bound by all the rules and regulations prescribed by **DBP** for ATM accounts and the maintenance thereof, as well as by the pertinent provisions of this Agreement and the existing banking laws, rules and regulations.

The **CLIENT** shall be responsible in making its officers and employees abide by the provisions of this Agreement.

6. The **CLIENT** shall notify its concerned employee/s or officer/s to personally update his/her records with **DBP** in the event of change/s on his/her personal data immediately from receipt of such notification.
7. The Current / Savings ATM Payroll Accounts provided and opened by **DBP** for the **CLIENT's** officers and employees shall be accessible from any of ATM Network facilities of **DBP** or any of the other member banks of Bancnet.
8. The **CLIENT's** officers and employees shall be required to have an initial deposit/ a daily balance requirement of **PESOS: ONE HUNDRED (Php100.00)** in their ATM Payroll Accounts.

II. WITH KYC OUTSOURCING ARRANGEMENT

OPENING OF CURRENT AND/OR SAVINGS ATM PAYROLL ACCOUNTS (the "ATM Account")

The Parties may resort to outsourcing arrangement in accordance with existing "Know-Your-Client" (KYC) standards set by law, regulations and any amendment or revision thereof should the circumstances of the Agreement warrant such, in which case, said arrangement shall be governed by the following terms and conditions, as may be applicable:

1. **DBP**, subject to existing rules on outsourcing of specified banking activities, hereby authorizes the **CLIENT** to conduct the required face-to-face contact and the required personal interview and gather the minimum information and/or documents required by the Bank on the **CLIENT**'s officers and employees who will open an ATM Account with **DBP**, provided that the ultimate responsibility of knowing the **CLIENT**'s officers and employees and for keeping the identification documents shall lie with **DBP** and subject to compliance with the following conditions:
 - a. The **CLIENT** has a reliable and acceptable customer identification system and training program in place;
 - b. Ensure that the employees or representatives of the **CLIENT** gathering the required information/documents of, and/or conducting face-to-face contact with the **CLIENT**'s officers and employees undergo equivalent training program as that of **DBP**'s own employees undertaking a similar activity covering therein pertinent provisions relevant to the outsourced activity. For this purpose, the **CLIENT** and **DBP** agree to conduct the necessary training program to ensure that the **CLIENT** is informed about **DBP**'s KYC requirements and the proper conduct of customer identification;
 - c. **DBP** shall monitor and conduct annual review of the performance of the **CLIENT** to determine whether or not to continue with the arrangement;
 - d. Exercise of the required due diligence by the **CLIENT** in obtaining the minimum required information including the confirmation of these information from documents submitted by its officers and employees in compliance with the Know Your Client/Client Due Diligence Policy;
 - e. Turn-over by the **CLIENT** of all identification information and/or documents to **DBP** within a period not exceeding ninety (90) calendar days from the date of the employee's accomplishment of the **DBP** KYC record forms as indicated by the date of signing; and
 - f. **DBP** shall carefully review the abovementioned documents.
2. Under such a set-up, **DBP** shall provide the **CLIENT** with account opening forms and signature cards to be accomplished by its officers and employees to be covered by the payroll servicing arrangement. The **CLIENT** shall confirm all the ATM account opening of its officers and employees and shall hold **DBP** free and harmless from any claims arising from misrepresentation in the opening of the account.
3. The **CLIENT** hereby unconditionally agrees to properly identify its officers and employees who will be opening accounts with **DBP** in accordance with the existing risk-based KYC standards set by prevailing laws, regulations, and **DBP**'s Money Laundering and Terrorism Financing Prevention Program (MTPP) and any amendment or revision thereof.
4. The **CLIENT** shall be responsible for applying the identification procedures and obtainment of the identification requirements, including face-to-face contact of

its officers and employees in accordance with the KYC requirements of Republic Act No. 9160, otherwise known as the "Anti-Money Laundering Act of 2001", as amended by Republic Act Nos. 9194, 10167, 10365, 10927, its Revised Implementing Rules and Regulations, relevant BSP regulations covering AMLA and DBP's MLPP and its revisions and amendments.

For this purpose, the **CLIENT** warrants the true identity of its officers and employees and the correctness of the personal information provided.

5. The **CLIENT**, through its duly appointed Authorized Representative, shall submit to **DBP** the following:
 - a. List of officers and employees of the **CLIENT** duly authenticated/certified by the **CLIENT's** Corporate Secretary or its Authorized Officer;
 - b. Certified true copy of unexpired, valid and photo-bearing identification cards of the listed **CLIENT** officers and employees, the designated authorized signatories and the Corporate Secretary;
 - c. Board Resolution / Secretary's Certificate or its equivalent document designating its Authorized Signatories, and Authorized Officer as may be applicable, and attesting to the authenticity of the respective signatures of such Authorized Signatory / Authorized Officer. Any change thereto shall be immediately communicated by the **CLIENT** to **DBP** in writing as duly supported by accompanying Board Resolution covering such changes made;
 - d. Duly accomplished specimen signature cards with 1x1 photo, ATM card application, Customer Information File Record and Deposit Record Form duly authenticated and certified by the **CLIENT's** Corporate Secretary or its Authorized Officer.
6. **DBP** shall only accept and facilitate the opening of the ATM accounts of the **CLIENT's** officers and employees after **DBP** has verified the identity of the officers and employees as against the identification cards issued by the **CLIENT** and/or such other identification requirements as may be acceptable to **DBP** and subject to the terms and conditions of this Agreement and upon submission of duly accomplished Signature Cards, Customer Information File Record and Deposit Record Form duly authenticated by the **CLIENT's** Corporate Secretary or its Authorized Officer.
7. Updating of account and KYC records shall be personally updated by the **CLIENT's** officers and employees based on **DBP's** prescribed frequency (but not to exceed once every three (3) years) and/or upon receipt of **DBP's** notification requiring an update of such KYC records based on **DBP** policies.

III. RELEASE OF ATM CARDS AND PIN MAILERS

1. The ATM cards and PIN Mailers of the officers and employees of the **CLIENT** shall be made available within 3-5 banking days after the requirements for account opening have been complied with.
2. The ATM cards and PIN Mailers shall be released to the officers and employees of the **CLIENT** by a **DBP** representative.

3. Release of ATM cards and PIN mailers through the **CLIENT's** officers and employee's representative shall be allowed by **DBP** upon submission of an authorization letter and copy of valid identification documents from the **CLIENT's** officers and employees and their authorized representative. **DBP** reserves the right to refuse any request for release if the documents submitted fail to pass the validation and verification test conducted by **DBP**.

IV. PAYROLL CREDITING OPERATIONS

1. **DBP** shall provide the **CLIENT** with a list of the assigned account numbers for the **CLIENT's** officers and employees. Consequently, all **CLIENT's** officers and employees shall execute a Waiver of their rights under the Republic Act No. 1405, otherwise known as the Law on Secrecy of Bank Deposits, as amended.
2. The **CLIENT** shall inform **DBP** of any changes, addition or deletion in the original list of its officers and employees in writing and signed by its authorized signatory/ies at least seven (7) banking days before the payroll period.

Newly on-boarded officers and employees should be subjected to the requisite conduct of KYC prior to opening of the payroll account. Updates made regarding pertinent information of an officer or employee should likewise trigger prompting of updating of corresponding customer records.

3. The **CLIENT** shall transmit the Payroll File via Uploading in the **DBP's** Digital Banking Portal or any other electronic means as agreed upon by the Parties in the correct form and manner as prescribed by **DBP**. The **CLIENT** shall be solely responsible for ensuring the accuracy and completeness of all information in the Payroll File.
4. **DBP** shall be under no obligation or liability to proceed with any payment instruction unless and until the **CLIENT's** account has sufficient funds. Only cleared and withdrawable balances shall be considered for financial transactions.
5. If the Payroll Credit Date falls on a Saturday, Sunday or holiday, the Payroll Credit Date shall be the succeeding banking day.
6. Alternatively, the following activities shall be performed by the **CLIENT** and **DBP** Servicing Branch based on the Manual Processing of Payroll Services:
 - a. The crediting of payroll to the individual accounts of officers and employees of the **CLIENT** shall be scheduled every _____ and _____ days of the month or on any regular banking day specified by the **CLIENT** in its Letter of Instruction (LOI) (the "Payroll Credit Date").
 - b. The **CLIENT** shall fund its Current / Savings Account No. **0635-014419-080** thru cash, other Bank's Manager's Check, or thru electronic bank to bank transfer for the total amount of the payroll for every payroll period at least **two (2)** day/s before the Payroll Credit Dates.
 - c. The **CLIENT** shall authorize **DBP** to debit its Current / Savings Account No. **0635-014419-080** for the total amount of the payroll for the payroll period for crediting to the respective ATM Payroll Accounts of its individual officers and employees. The **CLIENT** shall send through fastest means at least **two (2)** banking day/s before the Payroll Credit Date.

c.1 Authority to Debit the **CLIENT** account and credit to ATM Payroll Accounts;

- d. The **CLIENT** shall transmit the Payroll File physically or via electronic means as agreed by both Parties, in the correct form and manner as prescribed by **DBP** at least one (1) banking day prior to the Payroll Credit Date. The **CLIENT** shall be solely responsible for ensuring the accuracy and completeness of all information in the Payroll File.
7. **DBP** shall not be liable for any loss or damage as a result of inaccurate or incomplete payroll file information uploaded in the **DBP**'s Digital Banking Portal or transmitted via other electronic means.
8. **DBP** shall not be liable for any cause beyond its control, such as but not limited to, (i) undetected problems not discovered by regular maintenance; (ii) unforeseen hardware failures of computers, telecommunication, electrical, and/or network systems; (iii) computer hardware or software malfunction/destruction which may be caused by malicious computer hacking, viruses, bugs and/or worms; (iv) related/incidental problems that may be attributed to the services provided by any service provider or information service provider; and/or (v) fortuitous event and other related incidents.
9. The **CLIENT** shall immediately advise **DBP** in the event of expiration of the term or termination of the service of any of its officers and employees with a **DBP** ATM Payroll Account along with the instruction to close the account. Upon receipt of such written advice, **DBP** shall immediately close the account and issue a Manager's Check payable to the **CLIENT**'s officer or employee representing the balance.
10. **DBP** shall have the right to close the Current / Savings ATM Payroll Account of any officer or employee of the **CLIENT** if the same is not maintained in a manner satisfactory to **DBP** and in accordance with applicable regulations.

V. WITHDRAWAL FROM ATM PAYROLL ACCOUNTS

1. Withdrawals from the **CLIENT** officers' and employees' accounts can be made at any of **DBP**'s Automated Teller Machines (ATMs), both "on-site" and "off-site", wherein withdrawals made are free of any charges; and at any ATM facilities of Bancnet member banks, with corresponding charges.
2. Withdrawals from the ATM account must conform to the existing policies on withdrawals of **DBP**.
3. Once the officer's and employee's accounts have been credited in accordance with this Agreement, any request subsequent debit/s or hold instruction should be supported by a written request from the **CLIENT**. **DBP** can only debit or place on hold an amount that is equivalent to the last payment amount credited or the available balance, whichever is lower.

VI. CLIENT'S WARRANTIES

1. The **CLIENT** warrants and represents to **DBP** that:

- a. It has secured the written consent of its officers and employees for the payment of their salaries or wages and other benefits through **DBP's** ATM facility.
- b. It certifies the existence and identity of its officers and employees whom it endorsed for payroll account opening with **DBP**.
- c. It shall hold **DBP** free and harmless from any claims and/or actions that may be filed by the officers or employees regarding the payment of their salaries or wages through the use of **DBP's** ATM facility.
- d. It certifies that it has taken all the appropriate and necessary action to get the authority to execute and deliver this Agreement.
- e. It shall consistently notify **DBP** in a timely manner, all noted occurrences of expiration or termination from service of any of its officials or employees who are maintaining a **DBP** Payroll Account through a written advice and with instruction to close the account. **DBP**, in turn, shall immediately close the subject payroll account and issue a Manager's Check payable to the employee or official for the balance.

VII. DATA SHARING – **DBP** and the **CLIENT** shall, at all times, comply with the provisions of Republic Act No. 10173 or the "Data Privacy Act of 2012" (The Act), its Implementing Rules and Regulations (IRR), and all other laws and government issuances which are now or will be promulgated relating to data privacy and the protection of personal information and/or sensitive personal information. Both Parties, its officers, employees and representatives shall, among others ensure that it has the necessary infrastructure, processes and policies to fully and sufficiently protect the integrity, accuracy, security and confidentiality of personal data that may be collected, processed, stored, transferred and disposed of by such Party in relation to this Agreement.

VIII. DATA PROTECTION. Unless prohibited by applicable law, the Receiving Party may disclose client information to third parties providing services on its behalf who may collect, use, transfer, store or otherwise process it (collectively "Process") in the various jurisdiction in which they operate either for purposes related to the Services, and/or to check conflicts, for quality, risk management or financial accounting purposes and/or the provision of other administrative support services (collectively "Process Purposes"), provided that the written consent of the Disclosing Party has been secured, and provided further that the Receiving Party and third parties to whom the Confidential Information were disclosed shall strictly adhere to the confidentiality of the information and comply with the provisions of Republic Act No. 10173 or "the Data Privacy Act of 2012", its Implementing Rules and Regulations (IRR) in relation to the processing, retention, disposal, notification of data breach and others, and all other laws and government issuances. The Receiving Party shall be responsible for maintaining the confidentiality of information.

However, the written permission of the Disclosing Party shall not be required when the sharing or disclosure of Personal Data is in connection with (a) the submission of Covered Transaction Reports (CTRs) and Suspicious Transaction Reports (STRs) to the Bangko Sentral ng Pilipinas (BSP) and the Anti-Money Laundering Council (AMLC) in compliance with Republic Act (RA) No. 9160 otherwise known as Anti-Money Laundering Act of 2001, as amended and relevant BSP regulations; and (b) an examination of either Party by the BSP pursuant to R.A. 9160 and relevant issuances.

With respect to the submission, collection and processing of the personal data of data subject/s that may be affected by this Agreement, the Party collecting/processing/sharing personal data represents that it has (i) informed said data subject/s of the purpose/s for which his/her/their personal data have been submitted, collected and processed as well as his/her/their rights as data subjects; and (ii) obtained consent from the said data subject/s for the collection and processing of his/their personal data/information in accordance with the Data Privacy Act of 2012 and its IRR.

IX. NO GIFT POLICY

The Parties acknowledge that no fee or commission or benefit was extended to their respective officers and employees in consideration for entering into this Agreement.

X. MISCELLANEOUS PROVISIONS/EFFECTIVITY

1. This Agreement shall take effect upon execution of the contract for a period on one (1) year and shall be automatically renewed for another one (1) year and thereafter unless otherwise terminated, amended, modified, or supplemented in writing upon mutual consent of the Parties.
2. This Agreement may be terminated by either Party for any cause by giving thirty (30) days prior written notice to the other Party.
3. The **DBP Servicing Branch** shall likewise monitor and conduct annual review of the profitability in the form of call report and performance of the **CLIENT** to determine whether or not to continue the service.
4. Except as specifically provided for above, all other policies, procedures, terms, and conditions of **DBP** regarding the opening and handling of payroll accounts shall be observed and complied with. This Agreement shall be subject to applicable laws of the Philippines, rules and regulations of the Bangko Sentral ng Pilipinas (BSP), **DBP** and the Bankers Association of the Philippines (BAP), as well as those that may be promulgated hereafter.
5. In case of conflict between the Parties arising from this Agreement, both Parties agree to freely and voluntarily submit themselves to necessary consultation and negotiation for purposes of amicable settlement and find a mutually acceptable solution to their dispute. Existing policies on alternative dispute resolution shall be followed by the Parties.
6. The Parties shall jointly investigate complaint/s from **CLIENT's** officers and employees relative to the use of the facility, and each Party warrants and undertakes to provide the information and documents requested by the other Party for the purpose of resolving the complaint/s.
7. Should the Parties fail to reach an amicable settlement of their dispute, all disputes, controversies or claims arising out of or in connection with this Agreement shall be filed exclusively with the proper courts of Makati City.
8. All subsequent amendments hereto shall take effect, only after written notice and approval of both Parties.

IN WITNESS WHEREOF, Parties hereto have signed these presents this ____ day of
at _____ Philippines.

TUBBATAHA MANAGEMENT OFFICE	DEVELOPMENT BANK OF THE PHILIPPINES
By:	By:
MS. ANGELIQUE M. SONGCO	JOEL G. JALBUENA
Signature over Printed Name of Authorized Signatory	Signature over Printed Name of Authorized Signatory
Date: _____	Date: _____

SIGNED IN THE PRESENCE OF:

MARY GRACE D. BARBER	MARIA SOCORRO S. ACOSTA
Signature over Printed Name of Witness	Signature over Printed Name of Witness
Date: _____	Date: _____

ACKNOWLEDGMENT

Republic of the Philippines)
_____) SS.

Before me, a Notary Public for and in the City of Puerto Princesa, Province of Palawan personally appeared:

Name of Authorized Signatory	Competent Evidence Of Identity	Date Issued	Place of Issue
MS. ANGELIQUE M. SONGCO			Puerto Princesa City, Palawan

known to me and to me known to be the same persons who executed the foregoing instrument and they acknowledged to me that the same is their true and voluntary act and deed as well as that of the agencies they represent.

This instrument refers to a Payroll Servicing Agreement consisting of eleven (11) pages including this page on which this Acknowledgment is written and signed on each and every page by the Parties and their witnesses.

Doc. No. _____
Page No. _____
Book No. _____
Series of 20 23.

ACKNOWLEDGMENT

Republic of the Philippines)
_____) SS.

Before me, a Notary Public for and in the City of _____ personally appeared:

Name of Authorized Signatory	Competent Evidence Of Identity	Date Issued	Place of Issue
JOEL G. JALBUENA	DBP Employee No. 0101311-JOE		DBP Head Office

known to me and to me known to be the same person who executed the foregoing instrument and they acknowledged to me that the same is their true and voluntary act and deed as well as that of the agencies they represent.

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