SERVICE LEVEL AGREEMENT

FOR THE PROVISION AND IMPLEMENTATION OF A TREASURY MANAGEMENT SYSTEM (TMS) – INVESTMENT MANAGEMENT MODULE AT THE BUREAU OF THE TREASURY

I.   AGREEMENT OVERVIEW

This Agreement represents a **SERVICE LEVEL AGREEMENT** (*"SLA"* or *"Agreement"*) between **THE BUREAU OF THE TREASURY** (BTr) (hereinafter called the *"Procuring Entity"*), represented herein by **Rosalia V. De Leon**, Treasurer of the Philippines and the **JOINT VENTURE** of **TRASSET INTERNATIONAL SPA** represented herein by **Albert Fekete** and **QUESTRONIX CORPORATION** represented herein by **Michael S. Dionisio** (hereinafter jointly called the *"JV Consultant"*).

This SLA should be read alongside the General Conditions of Contract (GCC) and in the Special Conditions of Contract (SCC) between the Procuring Entity and the JV Consultant. Although the SLA covers key areas of the Procuring Entity's Provision and Implementation of a Treasury Management System (TMS) Investment Management Module (the *"System"*) at the Bureau of the Treasury, which includes the supply, delivery, development/customization, installation, configuration, and implementation of an appropriate software that can meet the requirements of the investment operations of the Procuring Entity, including the provision of necessary software licenses, hardware, network and security equipment, and other ancillary and complementary documents to effectively run the software in a production environment (or the *"Consulting Services"*), the GCC and SCC may include areas not covered by this SLA.

PROCURING ENTITY	**BUREAU OF THE TREASURY** **Rosalia De Leon** Treasurer of the Philippines Ayuntamiento Building Cabildo Street cor. A. Soriano Avenue, Intramuros Manila Tel No.: 6632287 loc. 2206/2827 Email Address: bac@treasury.gov.ph	**JV CONSULTANT**	**QUESTRONIX CORPORATION** **Michael S. Dionisio** President 178 Yakal St., Brgy. San Antonio, Makati City Tel No.: +632-822-7700 Email Address: mike_dionisio@questronix.com.ph
			TRASSET INTERNATIONAL SPA **Albert Fekete** Chief Executive Officer Viale Achille Papa, 30-20149, Milano, Italy Tel No.: Email Address:

II.   PURPOSE

The purpose of this SLA is to ensure that the proper elements and commitments are in place to provide consistent System and Consulting Services to the Procuring Entity by the JV Consultant.

The objectives of this SLA are to a) Provide clear reference to service ownership, accountability, roles and/or responsibilities, b) Present a clear, concise and measurable description of service provision to the Procuring Entity, c) Match perceptions of expected service provision with actual System and Consulting Services.

This SLA forms an important part of the contract between the Procuring Entity and the JV Consultant. It aims to enable the two parties to work together effectively.

III.   SCOPE

a) *PARTIES*

b) *DATES & REVIEWS*

This SLA shall be effective upon receipt of the Notice to Proceed on December 29, 2014 until December 28, 2015, unless otherwise terminated upon grounds as provided in the GCC and the SCC.

It may be reviewed at any point, by mutual agreement. It may also be reviewed if there are any changes to the Procuring Entity's System and Consulting Services.

c) *REQUIREMENTS COVERED*

This SLA covers only the software features, server requirements, storage requirements, application and network security applications, software licenses, deliverables and delivery period required in the list below. This list may be updated at any time, with agreement from both the Procuring Entity and JV Consultant.

c.1) *SOFTWARE FEATURES*

The software must have features including but not limited to the following:

1) Investment Management Module

 1.1) Front Office – (At least 6 users)

  1.1.1) Transaction Processing

   1.1.1.1) System should support real-time data entry, database updates, and position inquiries

   1.1.1.2) System should allow concurrent data entry by multiple users

   1.1.1.3) System should allow creation of user-defined instruments without the need for customization

   1.1.1.4) System should support various types of instruments/transaction types, including but not limited to:

    1.1.1.4.1) Foreign Exchange (Spot, Forwards)

    1.1.1.4.2) Fixed Income and Money Market (Bonds, Loans and

     Deposits, Borrowing and Lending, Commercial Papers, Certificate of Deposits)

1.1.1.4.3) Derivatives & other Instruments (Equities, FX, and Interest
Rate Swaps, FX & MM Options, Repos, Other Structured Products)

1.1.1.5) System should allow rollover of transactions, with option to rollover:

1.1.1.5.1) Principal only

1.1.1.5.2) Principal + interest

1.1.1.5.3) Partial

1.1.1.6) System should allow configuration of user-definable day count convention i.e. Actual/360, Actual/365, 30/360, 30/365, Actual/Actual

1.1.1.7) System should support multiple currencies, including but not limited to:

1.1.1.7.1) Philippine Peso (PHP)

1.1.1.7.2) US Dollar (USD)

1.1.1.7.3) Euro (EUR)

1.1.1.7.4) Japanese Yen (JPY)

1.1.1.7.5) UK Pound (GBP)

1.1.1.7.6) Korean Won (KRW)

1.1.1.7.7) Swiss Franc (CHF)

1.1.1.7.8) Hong Kong Dollar (HKD)

1.1.1.7.9) Canadian Dollar (CAD)

1.1.1.7.10) Singapore Dollar (SGD)

1.1.1.7.11) Australian Dollar (AUD)

1.1.1.7.12) Indonesian Rupiah (IDR)

1.1.1.7.13) Thai Baht (THB)

1.1.1.7.14) UAE Dirham (AED)

1.1.1.8) System should provide facility to amend, reverse/cancel and pre-terminate deals with corresponding approvals/controls & audit trail. All related processes (confirmations, settlements, accounting entries, etc.) should correspondingly be automatically updated according to the effect of the amendment, reversal/cancellation and pre-termination

1.1.1.9) System should allow the input of back-dated transactions

1.1.1.10) System should generate the Portfolio List and automatically update maturity schedules for all deal types (e.g. list of maturing time deposits, interest and principal payment due dates for loans, and coupon payments and settlement break dates for fixed income securities), which can be exported in various file types (Excel, PDF, etc.)

1.1.1.11) System should be able to track interest income from coupon

1.1.1.12) System should allow entry of ad-hoc cash flows

1.1.1.13) Transaction details should be automatically saved onto the database for   Deal inquiry and reporting

1.1.1.14) System (including hardware) should have the capacity to handle up to
1,000 transactions per day

1.1.2) Limits Management

1.1.2.1) System should allow the input of user-defined limit such as, but not limited to: Currency Limit, Counterparty Limits, Issuer Limit and others.

1.1.2.2) System should allow inquiry on usage of credit and market limits relating to the deal type and counterparty

1.1.2.3) System should allow inquiry on available balances of credit and market limits relating to the deal type and counterparty

1.1.2.4) System should automatically update limits upon saving/committing of transactions

1.1.2.5) The system should prompt required authorization when limit is breached

1.1.3) Deal Authorization

1.1.3.1) System should support on-line authorization of transactions

1.1.3.2) System should allow multiple levels of deal authorization

1.1.4) Position and P&L Management

1.1.4.1) Upon deal entry, all related records should be updated simultaneously to provide real-time views of positions, balances and computed P&L

1.1.4.2) System should provide facility for portfolio allocation (principal and interest) to different funds/sub-funds.

1.1.5) Mark-to-Market (MTM) Valuation

1.1.5.1) System should provide facility to compute MTM valuation using internal/external benchmark rates applied to the outstanding portfolio. This should also reflect the simulated P&L.

1.1.5.2) System should be capable of interfacing with the relevant information providers for real-time continuous stream of real-time security and foreign exchange prices, including Bloomberg and Reuters

1.1.6) "What-if" Analysis/Simulation of Deals

1.1.6.1) System should allow simulation of deals and various market scenarios, e.g. changes in interest rates, FX, liquidity, etc. to serve as reference for corresponding impact on position, balances and P&L if deal is executed.

1.1.7) Fees

1.1.7.1) System should facilitate processing of various fees (Fee Income or Fee Expense) linked to individual transactions. Types of fees include but not limited to: Broker's Fee, Commission, Service Fee, Cable Charge etc.

1.1.8) Taxes

1.1.8.1) System should facilitate processing of various taxes linked to individual transactions. Types of taxes include but not limited to: Withholding Tax (WHT), Documentary Stamp Tax (DST), etc.

1.2) Middle Office – (At least 2 users)

1.2.1) Risk Management

1.2.1.1) System should support liquidity risk management tools and reports including but not limited to: Liquidity Gap, Maximum Cumulative Outflow and Scenarios Analysis

1.2.1.2) System should support market risk management tools and reports including but not limited to: Value-at-Risk (VAR) amounts, Foreign Exchange Gap, Interest rate Gap, Stress Testing, and Back Testing

1.2.1.3) System should support credit risk management tools and reports including but not limited to: Counterparty limit and Issuer limit

1.2.2) Limits Management

1.2.2.1) System should be capable to provide facility to update all defined limits based on utilization per risk type.

1.2.3) "What-if" Analysis

1.2.3.1) System should allow simulation of deals to serve as reference for corresponding impact on defined risk limits

1.2.3.2) System should allow simulation of rates to serve as reference for corresponding impact on the risk management positions.

1.3) Back Office (At least 4 users)

1.3.1) Confirmation

1.3.1.1) System should allow users to manually or automatically match confirmations

1.3.1.2) System should support various types of confirmations such as printing, email and message file for sending to an external matching system

1.3.2) Settlements

1.3.2.1) Settlement amounts should be scheduled and calculated automatically. System should allow scheduling and computation of settlement amounts

1.3.2.2) System should generate settlement entries upon deal confirmation

1.3.2.3) System should allow settlement netting and splitting

1.3.2.4) System should be capable of defining standards settlement instructions which can be defaulted in the system but can be amended in the process if a transaction requires a different settlement instruction

1.3.2.5) System should be able to interface with external settlement systems including but not limited to secondary market settlement systems, and the existing Real-time Gross Settlement System

1.3.3) Custodian Management

1.3.3.1) System should be compliant with Best Practice accounting Standards (e.g. PAS, IAS) or that currently being used by government

1.3.4) Accounting/Valuation

1.3.4.1) System should allow set-up of chart of accounts structure that meets government accounting and fiscal reporting standards.

1.3.4.2) System should value all supported instruments in accordance with global market practice

1.3.4.3) System should support multi-entity, multi-currency general ledger

1.3.4.4) System should be capable of creating portfolio with different base currency

1.3.4.5) System should automatically generate Journal entries for all transaction types and can be interfaced to the main General Ledger

1.3.4.6) System should have capability to produce appropriate accounting entries for each transaction as defined in the pro-forma accounting entries for the different transaction types

1.3.4.7) System should be able to interface transactional data to a third party accounting system

1.3.4.8) System should allow manual accounting entries for adjustment

1.3.4.9) System should allow auto reversal of accounting entries for cancelled transactions

1.3.4.10) System should allow manual reversal of accounting entries

1.3.4.11) System should support different methods of amortization of premium, discount, fees and withholding tax

1.3.4.12) System should be able to accrue interest and amortize premium and discount at any given convention: daily, weekly, monthly, quarterly, semi-annual, annual, maturity

1.3.4.13) System should be capable of computing mark-to-market valuations

1.3.4.14) System should be able to revalue the outstanding position/portfolio with generation of corresponding accounting entries

1.3.4.15) Ad-hoc revaluation process can be executed at end of day from which accounting entries will be generated

1.3.4.16) System should be able to compare individual fund/portfolio values with an identified benchmark and analyse sources of income disparity

2) General Requirements

2.1) Reports, Forms and Correspondences

2.1.1) System should be able to generate BTr specific reports, forms and correspondences

2.1.2) System should include standard reports for management accounting, regulatory and portfolio reporting

2.1.3) System should allow users to create additional ad-hoc reports, forms and correspondences

2.1.4) Reports, forms and correspondences can be viewed on-line, printed on demand, or scheduled as part of end of day batch processing

2.1.5) Reports, forms and correspondences can be exported to various file types i.e. MS Word, Excel, Text, PDF, HTML

2.1.6) Reports, forms and correspondences can be transmitted via email

2.1.7) System should be able to generate reports providing statistical data on transactions entered in the system

2.2) Dashboard

2.2.1) System should provide functionality for immediate viewing of essential information which can be in the form of visual displays such as graph and tables which can also be customized to fit user preferences

2.2.2) System should provide functionality for prompting users of the different units of pending transactions for inputting and approval, for straight through processing from front to back office.

2.3) Interfaces

2.3.1) System should be capable of interfacing with third party application including but not limited to:

2.3.1.1) Market Data Feeds / Data Providers (Bloomberg, Reuters, PDEX, etc.)

2.3.1.2) Electronic Bank Statements

2.3.1.3) Electronic Fund Transfer/Payment Systems (PhilPASS, ADAPS, SWIFT, PDDTS, Euroclear, Cedel, etc)

2.3.1.4) Custodial Arrangements

2.3.1.5) Accounting/General Ledger System

2.3.2) System should provide a facility to upload treasury related transactions from other systems, e.g. GIFMIS. These items should likewise generate cash flows and corresponding journal entries

2.3.3) System should be capable of generating flat files for handoff to external systems

2.3.4) Electronic files transferred between systems should be encrypted on transmission
and decrypted on receipt

2.4) Inquiry/Search Function

2.4.1) System should allow users to inquire/search for details using user-defined parameters

2.5) Security and Control

2.5.1) System should be able to define controls for user and group access levels. Multiple levels of security should be controlled using User-IDs and passwords. Access to menus should be restricted depending on user defined access rights.

2.5.2) System should be able to define controls for different type of trading actions (trade, confirm, settle, etc.)

2.6) Audit

2.6.1) System should maintain audit trails for all creation, modification and deletion of system transactions/data

2.7) Static Data Management

2.7.1) System should maintain audit trails for all creation, modification and deletion of system transactions/data

2.7.2) System should allow flexible parameterization of static data without need for customization

2.7.3) System should provide a dropdown list for predefined static data

2.8) Others

2.8.1) System should support common shortcut keys such as Ctrl + C=copy, Ctrl + V=paste, Ctrl + S=save, etc.

2.8.2) System should allow configuration to define mandatory fields and will not allow deals to be saved if mandatory fields are not filled-up

2.8.3) System should provide and/or allow creation of additional user-defined fields

2.8.4) System should automatically generate transaction reference numbers with option for user-defined numbering convention

2.8.5) System should provide facility to download information and convert file to a standard/common format

2.8.6) System should provide product calculators for all defined instruments

2.8.7) System should provide facility for calendar and holidays maintenance

2.8.8) System should allow users to add or lengthen tables or fields without need for customization

2.8.9) System should provide validation rules for data entries

2.8.10) System should generate descriptive error messages for error handling

2.8.11) System should incorporate defined controls that will be applied uniformly across all or selected transactions

2.8.12) System must be capable of incorporating the pricing and settlement conventions of the Philippine Market

c.2) SERVER REQUIREMENTS

1) The TMS to be proposed must include the following:

1.1) Two (2) Units Production Servers

1.2) Two (2) Units Backup Servers

1.3) Two (2) Units Development Servers

1.4) Two (2) Units Test Servers

2) Server Specifications

2.1) Rack Based Server Type

2.2) Form factor/height: 2U

2.3) Processor: Xeon 6C E5-2630 v2 80W 2.6GHz/1600MHz FSB/15MB L3

2.4) Number of processors: 2

2.5) L3 Cache: 15MB

2.6) Memory: 64GB PCL-12800 CL11 ECC DDR3 1600MHz RDIMM

2.7) Expansion Slots: 2 PCI-X and 2 PCI-Express

2.8) Disk bays: Twelve (12) 2.5" (SFF)

2.9) Hard Disks: Two (2) 300GB 2.5in SFF 15k 6Gbps SAS HS HDD

2.10) Network Ports: Four (4) GbE Network Ports, Integrated

2.11) Host Bus Adapters: Two (2) PCIe 8Gb FC Single-Port HBAs

2.12) Optical Drive: Enhanced SATA Multi-Burner

2.13) Video: 1600x1200 at 75 Hz with 16 M Colors, 16 MB memory, Integrated

2.14) Power supplies: 550W High Efficiency Platinum AC Power Supplies, Redundant

2.15) Cooling fans: Redundant cooling fans, hot-swap

2.16) Hot-swap components: Power supply, fans and hard disk drives

2.17) RAID support/inclusion: Integrated RAID 0, 1 and 10

2.18) Operating systems supported: Microsoft Windows Server, Red Hat Enterprise Linux, SUSE Linux Enterprise Server, VMware vSphere

2.19) Other features

    2.19.1) 4 External and 2 Internal USB 2.0 ports

    2.19.2) Tool less slides for quick rack installation and servicing

2.20) Tape Backup: One (1) External LTO Ultrium 5 Tape Drive, 6 Gbps SAS with One (1) Cleaning Cartridge and One (1) LTO Ultrium 5 Data Cartridge (Connected to Production and DR Database Servers)

2.21) Warranty: 3-3-3, 24x7 4-Hour Response Time

    2.21.1) With provision for 2 years extended warranty

3) Minimum Server Specifications: Development Servers and Test Servers

3.1) Rack Based Server Type

3.2) Form factor/height: 2U

3.3) Processor: Xeon 6C E5-2630 v2 80W 2.6GHz

3.4) Number of processor: 1

3.5) L3 Cache: 15MB

3.6) Memory: 32GB PC3L-12800 CL11 ECC DDR3 1600MHz LP RDIMM

3.7) Expansion Slots: Three (3) PCI Express (PCIe 3.0) slots

3.8) Disk bays: Eight (8) 2.5" SFF HDD

3.9) Hard Disks: Four (4) 300GB 2.5in SFF 15k 6Gbps SAS HS HDD

3.10) Network Ports: Four (4) GbE Network Ports, Integrated

3.11) Optical Drive: Enhanced SATA Multi-Burner

3.12) Video: 1600x1200 at 75 Hz with 16 M Colors, 16 MB memory, integrated

3.13) Power supplies: 550W High Efficiency Platinum AC Power Supplies, Redundant

3.14) Cooling fans: Redundant cooling fans, hot-swap

3.15) Hot-swap components: Power supply, fans and hard disk drives

3.16) RAID support/inclusion: Integrated RAID 0, 1 and 10

3.17) Operating systems supported: Microsoft Windows Server, Red Hat Enterprise Linux, SUSE Linux Enterprise Server, VMware vSphere

3.18) Other features

3.18.1) 4 External and 2 Internal USB 2.0 ports

3.18.2) Tool less slides for quick rack installation and servicing

3.19) Warranty: 3-3-3, 24x7 4-Hour Response Time

3.19.1) With option for 2 years extended warranty

c.3) STORAGE REQUIREMENTS

1) The TMS to be proposed must include the following:

1.1) One (1) Unit Production SAN Storage

1.2) One (1) Unit DR SAN Storage

1.3) Two (2) Units Production SAN Switches

1.4) Two (2) Units DR SAN Switches

2) Minimum SAN Storage Specifications – for Production and DR

2.1) Rack Based Type

2.2) Form factor/height: 2U Small Form Factor Dual-Control Enclosure

2.3) Storage Controllers: Dual Storage Controllers

2.4) Cache Per Controller: 8GB

2.5) Host Interface Per Controller: Four (8) 8Gbps Fiber Channel Ports

2.6) User Interface: GUI and CLI

2.7) Functions Included: Internal Virtualization, Thin Provisioning, FlashCopy

2.8) Drive Bays in Enclosure: Twenty-Four (24) 2.5-in Drives

2.9) Drive Type: Dual-Port, Hot-Swappable 6 GB SAS Disk Drives

2.10) Solid-State Drive (SSD) Support: Option to add 400GB and 800 GB SSDs

2.11) RAID Levels Supported: RAID 0, 1, 5, 6 and 10

2.12) Hard Disks: Fourteen (14) 300GB 2.5in SFF 15K 6Gb SAS HDD, and Five (5) 1TB 2.5in 7.2K 6Gb NL HDD

2.13) Power Supplies and Fans: Fully Redundant, Hot-Swappable

2.14) FC Cables: Eight (8) 5m Fiber Cables (LC)

2.15) Mirroring: Global Volume Mirror (between Production and DR SAN)

2.16) Warranty: 3 years Parts & Labor, 24x7 4-Hour Response Time

3) SAN Switch Specifications

3.1) Rack Based Type

3.2) Form factor/height: 1U

3.3) Total FC Ports: Twenty-Four (24) 8 Gbps FC Ports

3.4) Activated Ports: Eight (8) 8 Gbps FC Ports

3.5) FC Cables: Eight (8) 5m Fiber Cables (LC)

3.6) Warranty: 3-3-3, 24x7 4-Hour Response Time

3.6.1) With option for 2 years extended warranty

c.4) APPLICATION AND NETWORK SECURITY APPLIANCES – type must be approved by Procuring Entity

1) Firewall

1.1) Palo Alto Networks PA-500 Enterprise Firewall or equivalent

1.2) Memory: 2GB Memory

1.3) Firewall Throughput: 250 Mbps Firewall throughput

1.4) 3-3-3

1.4.1) With option for 2 years extended warranty

2) Application Security

2.1) F5 or equivalent

2.2) Authentication must be integrated with the existing BTr Active Directory implementation

2.3) 3-3-3

2.3.1) With option for 2 years extended warranty

3) Digital Certificates: for Production and DR App Servers, 3 years

c.5) SOFTWARE LICENSES

1) All licenses required for the smooth and uninterrupted operation of the system for at least three (3) years must be provided by the JV Consultant, including maintenance and license support.

2) Operating System

2.1) Windows Server 2008 or latest version (64 bit) and/or 64-bit Enterprise Linux or RHEL-compatible Linux

3) Software to be delivered in perpetual, covers all Trasset functionalities, and can accommodate unlimited number of users.

4) Can be used even without annual maintenance

5) Database

5.1) Oracle 11g or latest version

5.2) All required licenses for the processors specified in Item 8.1

6) Other Software

6.1) All software licenses and software options required to implement the TMS must be included

c.6) DELIVERABLES

1) Project Phases

Description of all major tasks is described though major phases in the following table:
The overall governance for each phase is shown below.

Phase	Phase description
1	Project Initiation: The main objectives of the Set Up phase are related to the project team organizations such as detailed project work planning and delivery of Inception Report.
2	Business Requirements Document: This phase consists of delivery and sign of Business Requirements Document (BRD) final version, which consists of detailed requirements of the Bureau of the Treasury to TRASSET, such as descriptions of the product types, specific transaction or other workflows, computations and calculations, authorization hierarchy, required interfaces of the solution with other systems or tools, necessary inputs for infrastructure and HW set up and other. This document is a base for the Specifications (Functional and Technical), and the emphasis in a BRD is on what is required, rather than on how to achieve it.
3	Gap Analysis: This phase is focused to the analysis of Customer Business Requirement's and detailed understanding of the Customer's existing technologies and its goals regarding the set-up of the solutions. This phase address the Gap Analysis of the target application that TRASSET will deliver to meet the requirements. Moreover, this phase will drive the analysis of the integration functionalities and technologies to integrate the target application into the Customer environment as well as data migration requirements. In parallel, the HW delivery and set up can take place, once all the requirements from the BRD from the previous phase are completed.
4	Customization of the solution: This phase is focused on the: • Technical analysis of the solutions; • Customization, development of the target solution to catch the Customer requirements;

Phase	Phase description
	• Unit test of the solution. The development and the internal test the application will be performed by TRASSET and its partner at their own premises.
5	Application delivery to Bureau of the Treasury: This phase is focused on the installation and the integration of the target application in the Customer environment of the solution. The precondition is the successfully finalize infrastructure and HW setup in Bureau of the Treasury.
5.1	Application Installation - Test Environment: This phase is focused on the installation of the target solution the Customer test environment.
5.2	Application Integration in Bureau of the Treasury: This project phase is focused on the integration of the target solution with the with the legacy solutions of the Bank, market data providing platforms, trading platforms and other required interfaces highlighted in the RFP; or other required tools, systems or solutions.
6	Training: This stage is focused on the following main activities: Key User training, functional an IT to be provided by TRASSET expert to the Customer Key users; The prerequisite to training are properly prepared user and technical documentations and training materials.
7	Acceptance Testing: Acceptance testing consists of testing preparations such as migration of test data used for testing purposes on test environment, preparation of system integration testing, user acceptance testing and preparation of SIT and UAT scripts and their validation prior the testing begins. Once the prerequisites are prepared, the SIT testing can begin, which is followed by the functional testing of the solution by users.
8	Go Live and Disaster recovery preparation: This project phase is focused to the set up and the delivery of the application on

Phase	Phase description
	the production and disaster recovery environment which usually consist of system installations and final data migrations.
	Go Live: This is the production start of the TRASSET solution.
9	Final acceptance: Delivery of final documentation and final acceptance sign off.
10	Support start

2) Roles and Responsibilities of a Project Implementation Team

Role	Responsibility / Coverage
Contract Approver	• Execute the contract
BTR Project Owner	• State the business case and/or the strategy it would support • Identify, in measurable terms, the benefits to be achieved • Justify the costs associated with the project • Ensure top management 'buy-in' • Issue the mandate and approval for the project start • Delegate the authority required to ensure the necessary resources are available for the successful completion of the project • Change Manager at the senior management level
Steering Committee	• Manage the Supply Contract; • Approve projects goal and scope (Project Plan, time schedule, budget, resources); • Discuss matters of common interest that might arise; • Suggest solutions to possible issues; • Initiate Quality Audits; • Approve changes to the project scope according to the change management procedure; • Follow up the project according to the project plan.
BTR Project Manager	• Elect, document, coordinate, communicate all planning and resource requirements and ensure that project deadlines and budget are provided • Provide all required technical and human resources required for the successful execution of the project. • Be accountable for each component of the project development life cycle to be performed within the planned time scales and resource availability • Coordinate all sub-projects with the TRASSET Project Manager, and appoint project functional/technical module owners • Monitor and report project team progress to the Program Director • Perform a Change Management role with project team participants and key end user levels

	• Handle issues (mitigate or escalate) raised by the Project Team • Manage the Project Team
BTR Deputy Project Manager	• Support/assist the Business Project Manager • Elect, document, coordinate, communicate all planning and resource requirements and ensure that project deadlines and budget are provided • Provide all required technical and human resources required for the successful execution of the project. • Be accountable for each component of the project development life cycle to be performed within the planned time scales and resource availability • Coordinate all sub-projects with the TRASSET Project Manager, and appoint project functional/technical module owners • Monitor and report project team progress to the Program Director • Perform a Change Management role with project team participants and key end user levels • Handle issues (mitigate or escalate) raised by the Project Team • Manage the Project Team
BTR Functional Owner	• Gather & Document Business Requirements • Perform Gap Analysis along with the TRASSET Functional consultant • Prepare Test Cases • Making recommendations as to the changes required to the business processes to meet the functionality of the System • Acting as change agents in the business • Ensuring that the data to be converted has financial integrity • Ensuring that the system set-up meets BTRBTR's business requirements • Performing user acceptance testing of the application modules
BTR Subject Matter Expert /User	• BTR personnel with in-depth knowledge of the business needs or solution scope responsible for identifying the business requirements in their specific areas
Trasset – Sr. Project Manager	• Contractual Issues and Variation including the acceptance and change management procedures • Ensuring the quality and timeliness of the defined project deliverables • Quality Management • Control and Reporting functions • Work Management functions • Resource Management functions • Quality Management functions • Configuration Management functions.
Trasset - Project Manager	• Reports directly to the Overall Project Manager • Support/assist the Project Manager in her responsibilities • Contractual Issues and Variation including the acceptance and change management procedures • Ensuring the quality and timeliness of the defined project deliverables • Providing a liaison between the project team and the TRASSET organization on project related issues • Quality Management • Single point of Contact

	• Control and Reporting functions • Work Management functions • Resource Management functions • Quality Management functions • Configuration Management functions.
Trasset Consulting Director	• Consultancy director • Key project consultant for contractual or other project matters
Trasset Functional Lead	• Evaluate the defined business requirements and recommend how each can be incorporated in the TMS application. • Review and refine business process and recommend modifications or enhancements that enable the client to derive maximum benefits from the product. • Assist with the specification of representative data sets and business scenarios for acceptance testing • Transfer appropriate skills to the identified BTR personnel, usually the project team members • Coordinating with the Technical Lead in delivery of specifications and solution and the following tasks, etc.
Trasset Functional Consultant	• Evaluate the defined business requirements and recommend how each can be incorporated in the TMS application. • Review and refine business process and recommend modifications or enhancements that enable the client to derive maximum benefits from the product. • Assist with the specification of representative data sets and business scenarios for acceptance testing • Coordinating with the Technical Lead in delivery of specifications and solution and the following tasks, etc.
Trasset Functional Consultant (Support)	• Identify any external requirements and define phased data load and validation procedures • Assist BTR in the design of data conversion programs and in the data-load process • Assist BTR in the data conversion mapping exercise (i.e. from legacy data into the TRASSET Application format) • Advise BTR project team members in the set up of TRASSET Applications modules • Provide production support for the time specified in the estimates • Project implementation deliverable preparation
Trasset Technical Lead	• Evaluate the defined technical requirements and recommend how each can be incorporated with TRASSET Applications. provide suggestions to Customer in order to derive maximum benefits from the products • Assist with the specification of representative data sets and technical scenarios for acceptance testing • Transfer appropriate skills to the identified BTR personnel, usually the project team members • Coordinating with the Business Lead in delivery of specifications and solution and the following tasks etc. • Support during pilot phase
Technical Consultant (Support)	• Designing and developing deliverables as per the standards of TRASSET. • Performing unit testing on all the deliverables and documenting these with the Functional Consultant. • Completing tasks and deliverables assigned by the project manager. • Keeping the project manager informed of progress and issues in a timely manner. • Adhering to Quality requirements while performing the assigned tasks.

QNX Project Coordinator	• Planning, scheduling, monitoring and controlling, and other project management-related tasks for the Hardware, Application and Network Security components Delivery and Implementation • Monitoring of the TMS implementation / Attend weekly or monthly client meetings • Attend internal meetings as required • Internal reporting to Questronix throughout the project lifecycle
QNX Technical Lead Consultant	• Leading the Technical Services team and the delivery, installation and configuration of the Hardware, Network and Security appliances or components.
QNX HW Specialist	• Hardware installation and configuration based on the requirements stated in the Compliance Matrix (TOR) • Perform testing as appropriate and submit Infrastructure Configuration Guide upon completion of the hardware implementation and • Application and Network Security appliances installation and configuration • Complete tasks and deliverables assigned by the Questronix Project Coordinator • Keep the Project Coordinator updated of the progress and issues in a timely manner • Attend meetings as required • Abide to Quality requirements while performing the assigned tasks

3) Capacity Building

   3.1) Technical Training for the relevant users and BTr's IT personnel on the following:

      3.1.1) Operation/Use of the entire investment management module

      3.1.2) Report generation and customization

      3.1.3) TMS administration and users training

      3.1.4) Operating System administration and networking essentials

      3.1.5) Oracle database administration, fine tuning

      3.1.6) Administration training on security equipment/appliances

c.7) DELIVERY PERIOD

1) The Systems Go-Live must be within one (1) year from the receipt of the Notice to Proceed.

2) Summary milestones and tentative due dates: *(based on PID)*

ID	Summary milestones	Date

1	Phase 1 - Project Initiation Finalized	13-Feb-15
2	Phase 2 Finalized - Business Requirements Document Validation (*to be decided whether needed*)	
3	Phase 3 Finalized – Specifications (FSD) completed and approved	4-Apr-15
4	Phase 4 Finalized - Customization (at TRASSET premises)	10-Jul-15
5	Phase 5 Finalized - Application Delivery	28-Aug--15
6	Phase 6 Finalized - Training Delivery	11-Sep--15
7	Phase 7 Finalized - Acceptance Testing	20-Nov-15
8	Phase 8 Finalized - Go Live and DRS preparation	02-Dec—15 Reckoning of delay
9	Go Live	02-Dec-15
10	Phase 9 Finalized - Final Acceptance	02-Dec-15

*Payment will be made after acceptance of milestone by BTr

IV.   RESPONSIBILITIES

PROCURING ENTITY RESPONSIBILITIES

The Procuring Entity shall be accurate in providing the service requirements, report feedbacks, issues or problems in a timely manner on the performance of JV consultant in relation to the SLA.

The Procuring Entity shall notify the JV Consultant in writing of any changes in the service requirements subject to the agreement of both parties for enforcement.

The Procuring Entity hereby covenants to pay the JV Consultant in consideration of the provision of the Consulting Services, the Contract Price or such other sum as may be payable under the provisions of this Agreement.

The Procuring Entity shall adhere to any related policies, processes and procedures.

JV CONSULTANT RESPONSIBILITIES

The JV Consultant shall perform the services in accordance with:

   a) Best Industry Practice;
   b) the Service Level Agreement;
   c) all applicable laws and regulations; and

The stamp duty on this Agreement shall be borne by the JV Consultant.

The Trasset International SpA shall be accountable for the following responsibilities:
   a) delivery of TMS software licenses, consulting and related services;

   b) conduct project initiation, planning and inception;

   c) conduct business requirements definition, gap analysis;

   d) customization activities;

e) provide migration script and perform data migration;

f) conduct parameterization and system installation;

g) provide related trainings;

h) support user acceptance testing and integration testing;

i) support future disaster recovery activities;

j) support live implementation;

k) provide implementation, warranty support and maintenance support services;

l) delivery of project documentation;

m) perform migration but no data cleansing; and

n) support system implementation to production.

Also, The Questronix Corporation shall be accountable for the following responsibilities:

a) delivery and installation of hardware, security equipment and appliances, operating systems and Oracle licenses;

b) provide technical trainings;

c) provide warranty and maintenance support services; and

d) delivery of project documentation.

PARTNER IN CHARGE AND RESIDENT PROJECT MANAGER RESPONSIBILITIES

As agreed in the Joint Venture Agreement between the partners of the JV Consultant, the Partner-in-Charge and the Official Representative of the JV Consultant shall be Questronix Corporation, represented by its President and authorized signatory, Mr. Michael Dionisio. As such, said Partner-in-Charge shall have the power to negotiate, sign and deliver all agreements, contracts and documents, incur liabilities, receive payments and receive instructions, and to do all acts necessary for and in behalf of the JV Consultant.

The Resident Project Manager (RPM) and Project Key Personnel designated in accordance with the pertinent clauses in the GCC and SCC may be changed at any time by the JV Consultant, upon prior approval of the Procuring Entity, should such change be in the interest of a better and more efficient performance by the JV Consultant of the Consulting Services and its obligations under this Agreement.

LIQUIDATED DAMAGES FOR DELAY

If the JV Consultant fails to deliver any or all of the Consulting Services within the period(s) specified in this Agreement, provided the failure is not due to the Procuring Entity's delay or breach of its obligations under this Agreement, the Procuring Entity shall, without prejudice to its other remedies under this Agreement and under the applicable law, deduct from the Contract Price, as liquidated damages, a sum equivalent to one-tenth of one percent of the price of the unperformed portion of the Consulting Services for each day of delay based on the approved contract schedule up to a maximum deduction of ten percent (10%) of the Contract Price. Once the maximum is reached, the Procuring Entity may consider termination of this Agreement pursuant to the pertinent provisions of the General Conditions of Contract.

DEFAULT BY JV CONSULTANT

Provided that the Procuring Entity is not likewise in delay or in default of its obligations under this Agreement, and the JV Consultant wilfully defaults in any of the following, namely:

   a) overall non-performance, or partial but material non-performance by the JV Consultant; or

   b) refusal or to a substantial degree or persistently neglects, after notice in writing from the Procuring Entity, to remove defective work or improper material,

then, under any such circumstances, the Procuring Entity shall give notice in writing to the JV Consultant requiring the JV Consultant to remedy or rectify the default, and in the event the JV Consultant fails to commence the remedial action within **thirty (30)** days of delivery of notice, the Procuring Entity shall be entitled to terminate this Agreement.

In consequence of such default as per the above clause, the Procuring Entity shall not be responsible for any further expenses or other incidental charges incurred by the JV Consultant or whoever undertakes the work. The Procuring Entity may request the removal wholly or partially of the Software, which has been, installed if deemed necessary by the Procuring Entity.

V.   GUARANTEED PERFORMANCE OF THE SERVICES

When the Procuring Entity raises a support issue with the services, the JV Consultant promises to respond in a timely fashion.

a) *SERVICE LEVEL & RESPONSE TIMES in SOFTWARE SUPPORT SERVICES*

The Parties agree with the following Service Level:

1) Support Services

The Support service will be available five (5) days a week during Business Hours from 8:30AM to 05:30PM from Monday to Friday ("On-Line Hours"), Philippine time;

For week-ends, public holidays and/or time which is outside the On-Line Hours, the Licensor shall provide the phone support services in relation to Corrective Maintenance except in cases where prior request from the Procuring Entity is received;

The JV Consultant shall provide the Second and Third Level Support respectively

2) Second Level Support

The Second Level Support to be performed:

   a) Analysis of any technical or functional aspect raised in relation to any of the applications (defects, recoveries, etc.) and autonomous management of decisions of:

o Identify problem - new and recurring problem
- o Define the severity level of the problem
- o Test the problem in the Test Environment and if applicable, re-create the problem and testing
- o Identify the appropriate workaround solution and its application
- o Test of the temporary solution, if applicable
- o Reporting and escalating to the Third Level Support for fixing

b) Technical support includes:

- Configurations
  - Analysis of the log files
  - Trouble-shooting
- Definitions of the immediate workaround
- Provide fix installation guideline document

3) **Third Level Support**

The primary role of the Third Level Support is to investigate the reported issues escalated from the Second Level Support and provides the appropriate response and/or solutions according to the severity list.

Procuring Entity's Obligation

The Procuring Entity shall provide the First Level Support:

- Problem report
- Report of any message displayed
- Clear description of the problem
- Printouts/Screen Prints to be provided.
- Provide log files

Non-conformity Severity Description

The following is the description of severity level:

Severity	Description
1	- High Customer impact - Potential financial loss from Licensee - An essential application is not working (no function can be done) - An essential functionality in one application is not working. - Services where, in case of the cut off time is not met, the Procuring Entity will be subject to penalties.
2	- Medium Customer impact - An import application is not working (no function can be done) - An important functionality in one application is not working

3	• Minor Customer impact. • A minor application is not working (no function can be done) • A minor functionality in one application is not working.

Non-conformity Response Time (calendar time)

Severity	Applications Initial Response time	Permanent Fix	Comments
1	2 hrs	1 day	Work-around or a temporary fix is provided within 4 hours with progress updates every 4 hours
2	4 hrs	3 days	Work-around or a temporary fix is provided within 6 working hours with progress updates every 8 hours
3	1 day	10 days	Progress updates after every second calendar day until delivery of fix

Notes:

- Time shall exclude Software distribution/rollout;
- Response time shall exclude data recoveries;
- The initial response time starts from the reception of problem report from the Procuring Entity via the Trasset Support Centre ("TSC")
- The Procuring Entity shall provide the necessary information

b) SOFTWARE SUPPORT SERVICES

Duration of Support Services

(a) The duration of the Initial Support Services Term shall be as agreed by the Parties.

(b) At the sole discretion of the Procuring Entity, the Support Services may be renewed for subsequent terms. The Procuring Entity shall provide at least thirty (30) days notice in writing prior to the expiry of the Initial Support Services Term or any subsequent term it wishes to renew Support Services pursuant to this Sub-Clause. Terms and conditions concerning the Support Services shall be agreed in writing by the Parties.

b. Level of Support

(a) The Procuring Entity shall be responsible to provide First Level Support in relation to the Software as agreed by the Parties.

(b) The JV Consultant shall be responsible to provide Second and Third Level Support in relation to the Software as agreed by the Parties.

(c) The JV Consultant shall provide mutually agreed support during the setting up of the Disaster Recovery ("DR") in relation to the Software as required by the regulatory authorities without additional charges to the Procuring Entity. The JV Consultant shall be entitled to charge additional charges for support services beyond the DR.

c. Supervision and Coordination

The JV Consultant shall be responsible to fully support the front and back office of the Software (as per second and third level responsibility) installed and implemented onto the Procuring Entity's system.

d. Technical Support

(a) The JV Consultant shall be responsible to provide proper and adequate technical support to the Procuring Entity subject to the scope as of the Consulting Services as agreed by the Parties. Technical support herein contemplates technology transfer from the JV Consultant to the Procuring Entity that is adequate and sufficient to enable to Procuring Entity to use, operate and manage the Software delivered autonomously.

(b) The JV Consultant shall be responsible to introduce the best-practice methodology for the technical support.

(c) The JV Consultant is entitled to verify if the Procuring Entity's team has the required skill in terms of technology and experience and, in case of problem, to ask for substitution of any of them.

(d) The Procuring Entity is entitled to verify if the JV Consultant's team has the required skill in terms of technology and experience and, in case of problem, to ask for substitution of any of them.

e. Education and Training

(a) The JV Consultant shall provide the Procuring Entity with qualified training sessions in a classroom, using computer-based and/or on-the-job techniques capitalizing on training-the-trainers approach from the time of installation of the Software.

(b) The JV Consultant will be responsible to ensure that the education and training sessions will adequately cover the technical aspects of the Software.

(c) For the avoidance of doubt, the JV Consultant will be responsible to focus the education and training on the installation, operation, maintenance and management activities of the Software that are installed, operated, maintained and operated pursuant to this Agreement and/or the Addenda.

(d) For the purpose of education and training, the JV Consultant shall supply suitably skilled personnel possessing experience in proper teaching methodologies and are proficient in the English language to be responsible for the education and training of the Procuring Entity's personnel.

(e) The Procuring Entity will be responsible to provide adequate training infrastructure and equipment and suitably skilled personnel to receive the education and training contemplated under this Agreement.

(f) The education and training will be done in progressive manner in multiple sessions over a period of time as set out in the terms of reference and corresponding response in the submitted Compliance Matrix document.

(g) During the Initial Support Services Term, the Procuring Entity will be responsible to pay to the JV Consultant the Support Services Charges in accordance with the Addenda.

(h) Unless otherwise mutually agreed by the Parties, during the contractual period, as and when necessary, there may be requirements of redeployment of the existing Software at the existing Sites to some other existing or new sites. In the event of the redeployment the JV Consultant shall provide technical assistance to the Procuring Entity to dismantle the existing Software at the request of the Procuring Entity on terms to be mutually agreed.

f. Training Documentation

(a) Support Services shall include the provision of the Associated Documentation for training including the necessary amendments, revisions, and updates.

(b) Without limiting the foregoing, the JV Consultant shall amend or substitute such Associated Documentation in order to address and adequately explain the implications of any substitution or modification of the Software if such substitution

or modification is likely to result in varying operational procedures involving the use of the Software.

(c) The JV Consultant shall also amend or substitute such Associated Documentation in the event of new fixes, releases, versions and/or updates are available and installed in relation to the Software.

g. Support Services Records

(a) The JV Consultant shall maintain records of all Support Services including (without limitation to) all training sessions conducted by the JV Consultant for the Procuring Entity's personnel.

(b) The JV Consultant shall make copies of such records available to the Procuring Entity immediately upon request.

h. Warranties for Support Services

(a) The JV Consultant warrants that when providing the Support Services, it shall at all times:

(i) supply adequate and suitably skilled and competent personnel possessing experience in the relevant area, holding proper qualifications and technical expertise, and are proficient in the English language to be responsible for the education and training of the Procuring Entity's personnel and to be responsible for onsite or remote support and for the supervision and coordination contemplated herein;

(ii) adopt internationally acceptable standards utilizing the best industry practices using the best materials and the latest technology suitable for the Software in terms of technical supports and first and second supports;

(iii) supply adequate training documentation of high quality; and

(iv) exercise due care, skill and attention.

(b) Without limiting the above Sub-Clause, the Support Services shall be provided at a standard necessary to ensure the Software conform at all times with the applicable service level agreement.

c) *SOFTWARE MAINTENANCE SERVICES*

Duration of Maintenance Services

(a) The Maintenance Services shall commence upon the expiry of the Warranty Period and shall continue for the duration of the Initial Maintenance Term as agreed by the Parties.

(b) At the discretion of the Procuring Entity, the Maintenance Services may be renewed on an annual basis for subsequent terms and the Procuring Entity shall provide at least thirty (30) days notice in writing prior to the expiry of the Initial Maintenance Term or any subsequent term it wishes to renew Maintenance Services. Terms and conditions concerning the above mentioned Maintenance Services shall be agreed in writing by the Parties.

b. Software to be Maintained

(a) The Maintenance Services shall be carried out in respect of the Software either at the Sites or, subject to the Procuring Entity's approval in each instance, off site at a location approved in writing by the Procuring Entity.

(b) The Procuring Entity will not substitute or relocate the Software without the prior written consent from the JV Consultant, which consent shall not be unreasonably withheld.

(c)   If the Software is substituted or relocated pursuant to the above Sub-Clause, the JV Consultant may increase the Maintenance Charges provided:

   (i)   any increase in the Maintenance Charges does not exceed the direct increase in the cost to the JV Consultant of providing the Maintenance Services in respect of the Software as substituted or relocated; and

   (ii)   the JV Consultant gives notice in writing to the Procuring Entity of any proposed increase prior to consenting to such substitution or relocation.

(d)   This SLA shall continue to apply to the Software as substituted, modified or relocated pursuant to this Clause.

(f)   The Maintenance Services contemplated herein shall be at no charge in terms of cost to the Procuring Entity during the Warranty Period. Subsequent to the Initial Maintenance Term, the Procuring Entity will be responsible to pay to the JV Consultant the Maintenance Charges as agreed by the Parties.

c. Preventive Maintenance

(a)   The JV Consultant shall perform Preventive Maintenance at such intervals as shall be mutually agreed between the Parties.

(b)   Preventive Maintenance shall be carried out by the JV Consultant when the Software is not operational, or otherwise at times likely to cause the least possible disruption to the Procuring Entity's business and only by prior arrangement with the Procuring Entity.

(c)   The Procuring Entity may, on forty-eight (48) hours notice to the JV Consultant, postpone Preventive Maintenance due to any factor of convenience.

(d)   If Preventive Maintenance is postponed by the Procuring Entity, the JV Consultant shall reschedule the services to take place as soon as practicable. No additional charge shall be payable by the Procuring Entity in respect of Maintenance Services rescheduled pursuant to this Clause.

d. Corrective Maintenance

(a)   If the Procuring Entity discovers that the Software fails to perform according to its normal operation, the Procuring Entity shall notify the JV Consultant of the defect or error in question, and provide the JV Consultant with a description of such defect or error, and if requested by the JV Consultant, confirm the defect or error in writing. The JV Consultant shall use its reasonable endeavours to correct such defect or error within the Maintenance Response Time.

(b)   Corrective Maintenance is designed to restore the Software to normal operation. Corrective Maintenance includes:

   (i)   over the telephone diagnostic advice via the Second Level Support;

   (ii)   the provision of information on simple, safe and basic courses of action for the JV Consultant to follow in an attempt to restore the Software to normal operation without the necessity of an on-site service; and

   (iii)   if necessary, the dispatch of one or more field service engineers to the Sites who may fix the problem. This will only apply if the actions in paragraphs (i) and (ii) above have failed to restore the Software to normal operation.

(c)   Corrective Maintenance by the JV Consultant at the Sites will only be provided after confirmation that the following checks have been carried out by the Procuring Entity:

   (i)   mains power, fuses, interfaces and line connections, communications software and data terminal relating to the Software not maintained by the

JV Consultant where appropriate, have been checked; and

(ii)   built-in or supplied diagnostic facilities have been used in accordance with the details in the appropriate operating manuals or as directed by the JV Consultant.

(d)   Corrective Maintenance will normally be carried out at the Sites within Business Hours via VPN Connection and/or by way of remote connection or email exchange by the JV Consultant and the Procuring Entity shall provide its full efforts to the JV Consultant for this purpose, otherwise the JV Consultant will make the physical visit to the Procuring Entity if necessary. In the event that the JV Consultant is not allowed access to the production environment, the Software patches will be sent to the Procuring Entity for installation with the applicable instructions.

(e)   Prior to the completion of the Corrective Maintenance, the JV Consultant shall at the option of the Procuring Entity either:

(i)   test the Software by running a diagnostic programme and performing any other relevant tests necessary to demonstrate the Maintenance Services have been successful; or

(ii)   otherwise explain and demonstrate to the Procuring Entity the effect of the Maintenance Services on development or test servers.

e. Documentation

(a)   Maintenance Services include the provision of all necessary amendments, revisions and updating of the Associated Documentation.

(b)   Without limiting the foregoing, the JV Consultant must amend the Associated Documentation immediately in order to address and adequately explain the implications of any substitution or modification of the Software if such substitution or modification is likely to result in varied operational procedures involving the use of the Software.

(c)   The Procuring Entity shall be responsible for moving into production environment any corrective fixes provided by the JV Consultant.

f. Maintenance Records

(a)   The JV Consultant shall maintain records of all Maintenance Services including (without limitation to):

(i)   all faults reported;
(ii)   all faults detected;
(iii)   all remedial actions taken;
(iv)   all fixes installed pursuant to this Agreement; and
(v)   all software upgrade including new releases, versions and updates installed.

(b)   The JV Consultant shall make copies of such records available to the Procuring Entity immediately upon request.

g. Warranties for Maintenance Services

(a)   The JV Consultant warrants that when providing the Maintenance Services, it shall at all time:

(i)   use appropriate materials of high quality;
(ii)   employ appropriate techniques and standards; and
(iii)   exercise due care, skill and attention.

(b)   Without limiting the above Sub-Clause, the Maintenance Services shall be provided at a standard necessary to ensure the Software conform at all times with the applicable service level agreement.

(c)   Where the JV Consultant installed fixes, new releases, versions or updates of the Software pursuant to this Agreement, the JV Consultant warrants that such fixes, new releases, versions or updates will be:

(i)   of at least equal quality to the Software already installed;
(ii)   newly manufactured (if applicable);
(iii)   free from defects in materials and workmanship;
(iv)   suitable for normal use as reasonably contemplated by the Procuring Entity; and
(v)   compatible with the Software, the system and the environment of the Procuring Entity.

(d)   All Software and services supplied pursuant to this Agreement shall comply with the applicable service level agreement.

d)   SUPPORT AND MAINTENANCE FEES

1. Project Scope Documentation

As per the Master License, Project Services & Development Agreement

2. Payment Terms

2.1 Licensed Software and One-time License Fee

PLEASE REFER TO MODE OF PAYMENT

2.2 Support Services Fee (On Expiration of Initial Maintenance Team)

Support Services fee **per annum,** payable in equal quarterly installments for the Support Period. Notwithstanding the above and for avoidance of doubt, the Parties agree that the payment for the Support Services Fee shall be paid based on the percentage of the completed milestone of the Project (software module or system is delivered and promoted into the production environment). The Parties shall mutually agree on the percentage of the Project or modules that are considered to be completed. The fee shall be billed in advance and the billing shall be on the basis of the completed Software modules on a pro rata basis.

2.3 Fees of Optional Services

Licensor offers the following optional services for the Licensee:

- Development and Consultancy done off-site
- Development and Consultancy done on-site
- On-site Training
- Videoconference based training from TRASSET offices (all of them interconnected with videoconference system)

Calculation conditions:

- Days are calculated with 8 hours.
- Minimum utilization of off-site services is two (2) hours
- Minimum utilization of on-site services is two (2) days
- Refer to the submitted FPF documents for the daily rate per resource

- Hotel/Travel/Disbursements shall be chargeable separately provided that costs estimates shall be subjected to the Procuring Entity's prior approval.

e)   EQUIPMENT MAINTENANCE SERVICES - TERMS AND CONDITIONS

1. GENERAL

The Terms and Conditions of this Equipment Maintenance Services shall govern the Parties if the Procuring Entity requests the JV Consultant to provide Maintenance Services in relation to the Equipment required to be delivered under this SLA in relation to the Consulting Services.

The Contract Price under this Agreement covers the Equipment Maintenance Services for three (3) years.

The terms and conditions of this Equipment Maintenance Services shall take effect between the Parties, upon the Procuring Entity's conformity signature below, on the date agreed by the Parties, December 29, 2014 and will remain in force until terminated in accordance with Clause 10 herein.

Only the Equipment specified by the Parties shall be entitled to the Maintenance Services.

2. SERVICES INCLUDED

2.1 **Quarterly Preventive Maintenance -** This quarterly preventive maintenance service includes cleaning, adjusting, and/or testing the Equipment to ensure that they are in good working condition.

2.2 **On-Call Remedial Maintenance -** This includes diagnostics, replacement of faulty machine parts and testing to ensure that the equipment is in good working condition. All replacement parts installed in the performance of machine Maintenance Service shall be provided by and at the expense of the JV Consultant. This does not include computer supplies and consumables eg, cache batteries, tape cartridges and cleaners etc.

2.3 **Response Time -** Procuring Entity service calls shall be responded to by highly qualified and certified systems engineers of the JV Consultant. If problem resolution cannot be attained over the telephone, a systems engineer will proceed to the Procuring Entity's premises within an average of two (2) hours after the call has been received.

2.4 **Operating System Maintenance**

2.4.1 **Operating System Reinstallation -** Recovery procedures will be implemented upon the occurrence of system crashes and the operating system shall be subsequently reinstalled when necessary.

2.4.2 **Operating System Updates -** Operating system updates shall be applied to the Procuring Entity's Equipment necessary to keep up with the current release of the same version of the AIX operating system. Operating system comes with fixes and updates on licensed program products and shall be installed on the Procuring Entity's equipment when requested, this does not include AIX version upgrades.

2.5 **Performance Monitoring and Analysis** - These special services are performed semi-annually by the JV Consultant's Certified Engineers. These are installations of particular scripts to Procuring Entity, gathering of statistics and in-depth analysis of results to give an update status of the system performance and determine possible

cause of system degradation. Recommends Performance Tuning as possible alternative to enhance performance.

2.6   **Other Value Added Services**:

    2.6.1   AIX Tuning (if necessary)
    2.6.2   TCP/IP re-configuration
        2.6.3   OS version upgrade (services only, license excluded)

3. INVOICING AND PAYMENTS

3.1 The quarterly maintenance charges shall be invoiced every first week of the first month of the quarter.

3.2 Payment of the invoice issued by the JV Consultant hereunder shall be made within fifteen (15) days from receipt thereof. In the event of withdrawal of Equipment or termination of the Maintenance Services before the expiration of the invoice period, a refund or credit shall be pro-rated.

3.3 Any amount not paid within thirty (30) days from the date of receipt of invoice shall be subject to an interest charge equal to 3% monthly, or the maximum interest charge permissible under applicable law, payable on demand. Any charges not disputed by Procuring Entity in good faith within ten (10) days of the receipt of an invoice therefore will be deemed approved and accepted by Procuring Entity.

3.4 Maintenance charges shall be subject to change in cases of addition or deletion of Equipment in the Supplement to this Section.

3.5 For services outside the coverage period or services falling under the Section 4 entitled EXCLUSIONS, the Procuring Entity will be treated on a per-call status and a premium will be charged accordingly.

3.6 In case of non-payment for the quarterly maintenance charges, the JV Consultant shall have the right to suspend the Maintenance Services to the Procuring Entity. The Maintenance Services shall resume upon full payment of the unpaid portion of the quarterly maintenance charge.

4. EXCLUSIONS

The following are not included in the provision of Maintenance Service:

4.1 All consumable materials, computer items or supplies necessary for the operation of the Equipment (i.e. printer paper, printer ribbons, batteries, diskettes, tapes, etc.).

4.2 Any Maintenance Service to machines or hardware not included in the Equipment as herein defined; provided, however, that such equipment if owned by the Procuring Entity shall be included in this Agreement upon the request of the Procuring Entity.

4.3   Any electrical work external to the Equipment.

4.4 Furnishings, accessories or attachments, painting or refinishing the machines or furnishings or materials thereof.

4.5   License for Operating System Version Upgrades.

4.6   Relocation services, insurance and movers.

The JV Consultant shall not be responsible for any malfunction of the Equipment due to:

1.   The use of the Equipment not in accordance with the original manufacturer's operating procedures;

2.   Causes external to the Equipment such as power fluctuation, absence of air conditioning or humidity controllers, or exposure of the Equipment to an environment not suitable for its operation. Provided, however, that as part of its Preventive Maintenance Service under this Agreement, the JV Consultant shall, upon the effectivity of this Agreement, immediately recommend to the Procuring Entity appropriate measures to ensure efficient and trouble-free operation of the Equipment and upon approval by the Procuring Entity of such measures, to assist in implementing and setting up the same;

3.   Any maintenance, repair, or modification to the Equipment performed by another party without the written consent of the JV Consultant,

4.   Relocation or attachments made to any unit of Equipment without the written consent of the JV Consultant, or

5.   Vandalism, fire or water damage.

5. NOTIFICATION AND ACCESS

If a defect appears in the normal functioning of the Equipment, the Procuring Entity shall make no attempt to remedy the same, but shall promptly notify the JV Consultant thereof. Thereafter, in the case of remedial maintenance and at all times at which it has been agreed that the JV Consultant should or the JV Consultant has been required to perform preventive maintenance, the Procuring Entity shall afford the JV Consultant free access to the premises in which the Equipment is installed at all reasonable times for the performance of the Maintenance Service and shall make available to the JV Consultant, free of charge, light, heat, ventilation, electric power, and other necessities as may be required for the purpose, reasonable space for the storage of spare parts, the full cooperation of its officers, employees and agents and all documentation in its possession or control relating to the Equipment. If it is deemed by the JV Consultant that it is in any case necessary or desirable for any item or part of the Equipment to be removed for off-site repair or other work and such items or part may be removed without material impairment of the functioning of the Equipment, the Procuring Entity shall permit the JV Consultant to remove and for a reasonable time retain the item or part in question for that purpose. In the meantime, the JV Consultant shall make available to the Procuring Entity, free of charge, a service item or part for the one temporarily removed to ensure continuous operation of the Equipment.

6. LIMITATION OF LIABILITY

In the event of total or partial loss or damage to a hardware, or software or to any part thereof caused by any act, default or omission, negligence or intention, by the JV Consultant and /or any of its technicians, employees, representatives, or agents, it shall at its own expense and at the option of the Procuring Entity either restore the hardware, software or any part thereof, to the condition it was in immediately before such loss or damage or replace the same with a machine or part as the case may be, in a condition similar to that which the machine was in immediately before such loss or damage.

The JV Consultant will, in no event be liable for lost profits, lost savings or special or consequential damages, or for any claims against the Procuring Entity by any other party.

7. WORKING CONDITIONS

For the purposes of this Agreement, the JV Consultant's maintenance engineers and technicians shall have full and free access to the machines provided that it has a written approval from a duly authorized representative of the Procuring Entity. In addition, the Procuring Entity shall provide at its own expense an adequate working area suitably furnished and equipped for the purpose of enabling the JV Consultant to perform its obligations under this Agreement.

The JV Consultant shall act as an independent JV Consultant and the workers and agents and other personnel of the JV Consultant shall in no way be considered employees of the Procuring Entity. Nothing contained herein or done in pursuance of this Agreement shall constitute the JV Consultant as a partner, agent, legal representative or employee of the Procuring Entity for any purpose whatsoever. The JV Consultant is not granted any right or authority to assume or to create any obligation or responsibility express or implied, in behalf of or in the name of the Procuring Entity, or to bind the Procuring Entity in any manner or thing whatsoever.

8. TERMINATION

The Procuring Entity may withdraw any item of the Equipment upon one (1) month written notice to the JV Consultant after the item of Equipment has been under maintenance service for one (1) year.

Either party may withdraw, any item of Equipment at any time by written notice for failure of the other to comply with any of its terms and conditions.

Unless the Procuring Entity submits a written notice of termination, this Addendum will be automatically renewed for another year.

9. ASSIGNMENT

Either party may not assign any of its rights, benefits or obligations hereunder save with the prior written consent of the other party.

10. PROCURING ENTITY'S WARRANTY

The Procuring Entity warrants to the JV Consultant that it is the owner of the Equipment or has the authority of the owner of the Equipment.

11. REPLACED PARTS

If any part of the Equipment is replaced by the JV Consultant upon prior notice to and approval of the Procuring Entity in connection with the Maintenance Services under this Agreement, no charge shall be made by the JV Consultant for the replacement of part(s) listed outside of the consumable items but the replaced part(s) shall become the property of the JV Consultant. The parts furnished by the JV Consultant will be of the same type, brand and specifications as the replaced parts.

If the defective part is found to be caused by abuse, mishandling or any act of gross negligence on the part of the Procuring Entity and or its employees or representatives, or operating under or over the prescribed operating conditions or due to repairs or activities effected by other than the JV Consultant, the replacements shall be deemed to be chargeable to the Procuring Entity, and the replaced part shall remain the property of the Procuring Entity.

The JV Consultant at its option and upon prior written notice to the Procuring Entity may store maintenance equipment, parts and or backup equipment on the Procuring Entity premises, and the same shall remain to be JV Consultant property.

12. JV CONSULTANT'S WARRANTY

The JV Consultant hereby warrants for the duration of the period of Maintenance Services, the quality and workmanship of all services provided, including parts or components supplied by it with prior notice to and approval of the Procuring Entity and it shall be liable to the Procuring Entity for any damage or expense caused by or arising from such services or components/parts supplied by the JV Consultant or as a result of its faulty maintenance or servicing of Procuring Entity's Equipment.

f)   *SERVICE CALL HANDLING PROCESS FOR EQUIPMENT MAINTENANCE SERVICES*

To place and escalate hardware or operating system problems, below is the JV Consultant's hotline number and procedure.

HOTLINE NUMBER FOR ALL CALLS REQUESTING SERVICE 24 HOURS A DAY, 7 DAYS A WEEK 822 – 0922

In such cases where in a designated Technical Specialist failed to respond within 2 hours, the following contingency number will be used in order as additional support.

Service Desk Officer	Dannica R. Corpus	0920 – 9603404
Technical Support Manager	Romeo L. Manloctao	0920 – 9603314
AVP – Qserv Deparment	Danilo R. Dizon	0920 - 9632535

Service call information requirements below:

- Company Name
- Machine Type
- Serial Number
- Customer Name
- Contact Phone Number
- Machine Type Location
- Problem Description
- Severity Level

Level of Severity:

Severity 1   CRITICAL
Severity 2   URGENT
Severity 3   STANDARD
Severity 4   SCHEDULED
Severity 5   INFORMATIONAL

g)   REVIEW OF SERVICES

The Procuring Entity shall be entitled to review the performance of the Services by the JV Consultant at such frequency as the Procuring Entity may as its discretion determine. Such review may be undertaken by the Procuring Entity with the objective of ascertaining whether the JV Consultant has strictly complied with the applicable service level agreement and terms and conditions of this Agreement.

The Procuring Entity shall be entitled to issue recommendations to the JV Consultant to improve its Consulting Services so that it complies strictly with the terms and conditions of this Agreement. If the Procuring Entity so thinks that any change to the applicable service level agreement is necessary to ensure the relevancy and adequacy of the Consulting Services based on the requirements of the Procuring Entity at any time, the Parties shall mutually consult each other with the objective of upgrading the service level as the circumstances require.

If the Procuring Entity makes recommendations to the JV Consultant pursuant to paragraph (b) above, the JV Consultant shall use its best endeavors to implement such recommendations to the extent such recommendations are consistent with the scope of the Consulting Services that are required to be performed by the JV Consultant under this Agreement, provided that such implementation is at no additional cost to the JV Consultant.

Without prejudice to the generality of the foregoing, the Parties may conduct review meetings quarterly, yearly or at such other frequency as both Parties may mutually agree, to evaluate the due and timely performance of the Consulting Services by the JV Consultant and all its resources, employees, subcontractors, consultants and agents (if any) subject to the applicable service level agreement and the standards required under this Agreement. The JV Consultant shall provide the necessary co-operation and assistance including all information as may be requested by the Procuring Entity without extra cost to the Procuring Entity to enable the Parties to successfully conduct the review meeting.

VI.   MODE OF PAYMENT – *SUBJECT FOR APPROVAL of the PROCURING ENTITY*

Billing based on the following:

Mode of Payment	Contract Proposal		Estimated Payment Date	As Referenced to Project Schedule
1. Hardware/Security Equipment/Appliances	**Php 18,485,280.41**			**Total Hardware Cost**
One-time payment shall be made upon completion of supply, delivery, installation of hardware and Server software components such as operating system, and upon issuance of certificate of acceptance by the end-user.	50%	9,242,640.20	**14-Aug-15**	Upon full delivery
	50%	9,242,640.21	**2-Dec-15**	Upon installation and issuance of certificate of acceptance by end user
	Php 4,476,200.00			**Total License Cost**
	80%	3,580,960.00	**13-Feb-15**	Upon contract signing and delivery of the base system source code
	20%	895,240.00	**11-Nov-15**	Upon installation and issuance of user acceptance certificate

2. TMS Solution Progress billing based on the following:	Php 21,038,140.00			Total Implementation Cost
Submission of Inception Report/Implementation Plan	20%	4,207,628.00	13-Feb-15	*Phase 1 - Project Initialization Finalized*
Completion of Solutions Design and Sign-off	20%	4,207,628.00	10-Jul-15	*Phase 4 Finalized - Customization (at Trasset premises)*
Completion of Technical and Users Training	5%	1,051,907.00	11-Sep-15	*Phase 6 Finalized - Training Delivery*
Submission of Project documentations, including installation, administration and user manual and DRP	5%	1,051,907.00	2-Dec-15	*Phase 8 - Go Live and disaster recovery preparation*
TMS Go-Live and issuance of certificate of completion and user acceptance certificate (including the delivery of required Software licenses for the TMS solution)	40%	8,415,256.00	2-Dec-15	*Phase 9 Finalized - Project Acceptance*
After completion of 90-day onsite support	10%	2,103,814.00	1-Mar-16	*Estimated date, 90 days after go live date of 2-Dec-15*
Total Project Cost	**Php 43,999,620.41**			

VII.   RESOLUTION TIMES

If a dispute of any kind whatsoever arises between the Procuring Entity and the JV Consultant in connection with, or arising out of this Agreement or the Consulting Services, whether before or after repudiating or termination of this Agreement, including any dispute as to any opinion, determination, certificate or valuation by the Procuring Entity, the Parties shall use best endeavors to amicably settle the dispute.

In the event amicable settlement contemplated above fails, the Parties shall refer the dispute to the management level including the heads of each Party to attempt to resolve the dispute amicably.

In the event amicable settlement contemplated above fails, and the management level failed to resolve the dispute, the Parties shall refer the dispute to a mediator of high reputation and knowledgeable in the relevant area to be appointed by the Parties to facilitate amicable settlement between the Parties.

In the event all avenues described above fail to resolve the dispute, either Party may submit the matter to arbitration in accordance with the provisions of the GCC and SCC.

In the event that arbitration fails, either party may exercise whatever remedies are provided under the law.

VIII.   RIGHT OF TERMINATION

The Procuring Entity may terminate this Agreement by giving **thirty (30) days** prior official notice to the JV Consultant without giving any reasons, or at any time by notice in writing to the JV Consultant in the following circumstances:

a)   If any of the partners of the JV Consultant becomes insolvent or enters into voluntary or compulsory liquidation or pass an effective resolution for winding up or make an arrangement or composition with its creditors or if any receiver be appointed on behalf of debenture holders or otherwise; or

b) If the Procuring Entity has any reason to believe that the JV Consultant or any one employed by him or acting on his behalf, whether with or without the JV Consultant's knowledge, engages in illegal practice(s) in connection with this Agreement.

For grounds of breach, termination may only occur if the JV Consultant has not remedied the situation to the reasonable satisfaction of the Procuring Entity at the expiration of a period of **thirty (30) days** from the date of notice of breach.

The JV Consultant may terminate this Agreement upon thirty (30) days notice in writing to the Procuring Entity if:

a) it becomes, threatens or resolves to become or is in jeopardy of becoming subject to any form of insolvency administrations; or

b) it ceases or threatens to cease conducting its business in the normal manner; or

c) it breaches any clause of this Agreement, and such breach if capable of being remedied, is not remedied within thirty (30) days' of written notice by the other party; or

d) it is in material breach of any of the terms and conditions under this   Agreement; or

e) if it is otherwise no longer capable of complying with its obligations under this Agreement.

Upon termination of this Agreement, where applicable:

a) the JV Consultant will retain any moneys paid; and/or

b) the JV Consultant shall be entitled for payment of the work performed which has not previously been paid; and/or

c) Both Parties shall be regarded as discharged from any further obligations under this Agreement, without prejudice to Clause 33 of the GCC; and

d) Both Parties may pursue any additional or alternative remedies provided by law.

The termination of this Agreement shall be without prejudice to the rights of the Parties accrued up to the date of such expiry or termination. Further, the foregoing grounds for termination shall be without prejudice to Clauses 27 & 28 of the GCC.

IX.   SURVIVAL OF AGREEMENT

Subject to any provision to the contrary, this Agreement, shall inure to the benefit of and be binding upon the Parties and their successors-in-title, trustees, permitted assigns or receivers but shall not inure to the benefit of any other persons.

The covenants, conditions and provisions of this Agreement that are capable of having effect after the expiration of the Agreement shall remain in full force and effect following the expiration of the Agreement.

IN WITNESS HEREOF, the Parties hereto caused this Agreement to be executed in accordance with laws of the Republic of the Philippines on the day and year first above written.

Signed, sealed, and delivered by the Procuring Entity,

BUREAU OF THE TREASURY,
By:

        ROBERTO B. TAN
        Treasurer of the Philippines

Signed, sealed, and delivered by the JV Consultant,

For QUESTRONIX CORPORATION
By:

MICHAEL S. DIONISIO
President, Questronix Corporation
Partner-In-Charge for the JV

For TRASSET INTERNATIONAL SPA
By:

ALBERT FEKETE
Chief Executive Officer

Signed in the presence of:

CAROL D. JORGE
Chief Accountant
Bureau of the Treasury

FRANCISCO CAPARROS, JR.
Business Devt. Director
Trasset International Spa

EDEVERJOY P. TAMAYO
Client Representative
Questronix Corporation

Republic of the Philippines   )
_____) S.S

<center>ACKNOWLEDGMENT</center>

BEFORE ME, a Notary Public for and in the City of _____ this _____ day of _____ 2015, personally came and appeared before me the following:

	Competent Proof of Identification	Date/Place of Issue
ROBERTO B. TAN	_____	_____
MICHAEL S. DIONISIO	_____	_____
ALBERT FEKETE	_____	_____

All of whom are known to me to be the same person/s who executed the foregoing Agreement and they acknowledged to me that the same is their free, voluntary act and deed and of the agency/entity they respectively represent.

WITNESS MY HAND AND NOTARIAL SEAL on the place and date above stated

<div align="right">NOTARY PUBLIC</div>

Doc. No.   _____
Page No.   _____
Book No.   _____
Series of 2015.