

SERVICE AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

This Service Agreement (the "Contract"), made and entered into this 30th day of August 2022 in Makati City, Philippines, by and between:

THE SECURITIES AND EXCHANGE COMMISSION, herein referred to as "SEC", a government agency duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with its principal address at The SEC Headquarters, 7907 Makati Avenue Salcedo Village, Bel-air, Makati City, herein represented by its Commissioner **KELVIN LESTER K. LEE**, who is duly authorized to represent this transaction, herein referred to as "SEC";

and

MR. EMMANUEL REY R. CAIN TIC, Filipino of legal age, and a resident of 26A Scout Castor, Brgy. Laging Handa, Quezon City, hereinafter referred to as "CONSULTANT";

WITNESSETH, that:

WHEREAS, the SEC intended to rehire the CONSULTANT as a Highly Technical Consultant for the *Financial Technology (Fintech) Reforms and Capital Market Functions in Relation to Fintech*;

WHEREAS, the CONSULTANT has the necessary qualifications to deliver the services required by the SEC, which offer was accepted by the latter;

NOW, THEREFORE, and in view of the foregoing premises and in consideration of the mutual covenants and stipulations herein set forth, the parties agreed as follows:

- I. SCOPE OF WORK AND CONTRACT PRICE.** The required services and deliverables are those stated under clauses *I* and *II* of the *Terms of Reference*, copy is attached as *Annex A* and made an integral part hereof.

The SEC shall pay the CONSULTANT after the delivery at the end of each month the required deliverables in the amount stated under clause *V* of the *Terms of Reference*.

II. CONFIDENTIALITY

The CONSULTANT agrees to hold in confidence any non-public information received by him from the SEC, or any of its employees during the course of this engagement and further agrees not to disclose such information to any third party unless: (i) SEC gives its prior written authorization, (ii) applicable laws require the CONSULTANT to disclose or otherwise reveal such information, or (iii) such information subsequently becomes part of the public domain.

SEC reserves its right of recourse, including the termination of this Contract and the filling/undertaking of the necessary legal actions, against the CONSULTANT, in the event of violation of this provision.

III. ACCOUNTABILITY

- A. The CONSULTANT shall have no right or authority to assume or represent the existence of any relationship with the SEC, except in accordance with this Contract.
- B. The SEC shall provide the necessary office equipment, materials and supplies to the CONSULTANT. Provided that, the CONSULTANT shall be held responsible and accountable for the said properties.

Upon the termination of this Contract for any cause, the CONSULTANT binds himself to deliver in good order all records, documents, manuals, forms, books and papers and any and all materials and equipment furnished or placed in his custody by the SEC in connection with this Contract, it being understood that the same belong exclusively to the SEC.

The CONSULTANT shall be held liable for the value of the above mentioned properties which are damaged or not otherwise returned to the SEC upon the termination of this Contract.

- C. It is understood that at the end of the term, the CONSULTANT shall properly turn over his work assignments and all documents acquired in the performance of his duties as Consultant to the SEC. The said turn over shall be evidenced by an appropriate document, describing the nature and quantity of turned over materials, to be signed by the SEC and CONSULTANT or their authorized representative. Failure on the part of the CONSULTANT to abide by this proper turn over provision shall be deemed a violation of this Contract, subject to the imposition of damages.
- D. The penalty for late deliveries is one tenth (1/10) of one percent (1%) of the cost of an unperformed portion for every day of delay. The maximum deduction shall be ten percent (10%) of the contract price. Once the cumulative amount of liquidated damage reaches more than ten percent (10%) of the contract price, the SEC may rescind the contract without prejudice to other courses of action and remedies applicable.

IV. EFFECTIVITY AND TERMINATION

- A. This Contract shall be valid for a period of six (6) months from August 30, 2022 to February 28, 2023, unless sooner terminated by either of the parties in accordance with clause (VI) hereof.
- B. This Contract shall automatically be terminated, without the need to further notice, at the end of the term as specified above and may be renewed upon mutual written agreement of both parties, but such renewal shall in no case extend six (6) months or exceed the term of the appointing Head of the Procuring Entity.
- C. The SEC may end the services of the CONSULTANT or terminate this Contract prior to its expiration for any reason. The CONSULTANT is entitled to be notified of the termination of his services and the termination shall be effective only after thirty (30) days from the personal receipt of the notice or through mail at the address stated above.

If the termination is due to breach of contract by the CONSULTANT of any provision of this Contract, applicable liquidated damages shall apply.

The termination under this Article shall only entitle the CONSULTANT to the remaining amount corresponding to the actual services rendered up to the time of termination, without prejudice to applicable damages.

- D. The CONSULTANT may terminate this Contract or end his services, subject to submission of a written notice to the SEC at least thirty (30) days prior to its effectivity.

Should the CONSULTANT serve notice of termination, the SEC may, at its sole discretion, waive or shorten the Notice Period or immediately accept the termination, in which case, the CONSULTANT will not be entitled to any fees for the unserved days from the Notice Period.

V. MISCELLANEOUS PROVISIONS

- A. It is expressly understood that there exists no employer-employee relationship between the herein parties, that the services rendered are not considered government service and that the CONSULTANT is not entitled to benefits enjoyed by regular personnel of the SEC.
- B. The CONSULTANT agrees and binds himself to protect and hold the SEC free and harmless from any liability to third person for failure on the part of the CONSULTANT to fulfill his obligations under and pursuant to this Contract.
- C. This Contract may be modified or revised through a written agreement between the parties herein, citing the specific clause or items to be revised or modified and the corresponding amendments.
- D. Failure on the part of the SEC to exact or insist upon the strict compliance by CONSULTANT of the terms and conditions of this Contract shall not constitute as a waiver of any of the rights of SEC. No term or condition of this Contract shall likewise be deemed to have been relinquished or waived by the SEC, unless the waiver is in writing stating expressly that it is intended to modify or waive the effect of such item or condition.
- E. Should any of the terms and conditions of this Contract be held invalid or declared contrary to law, the validity of the other terms and conditions hereof shall not be affected thereby.

F. The parties hereto agree that the venue of action for any cause or causes of action which may arise from this Contract shall be in the proper court of Makati City, Philippines.

IN WITNESS WHEREOF, the parties hereto have caused this Contract to be executed in accordance with laws of the Republic of the Philippines on the day and year first above written.

SECURITIES AND EXCHANGE COMMISSION
TIN No. 000-190-308-000

CONSULTANT

by

KELVIN LESTER K. LEE
Commissioner
TIN: 199-906-348


EMMANUEL REY R. CAINTIC
TIN: 201-236-303-000

SIGNED IN THE PRESENCE OF:

XXXX

XXXXX

CERTIFIED FUNDS AVAILABLE:


DONDE Q. ESGUERRA
Director, Finance Management Department

Funds Available
ORS No. 02-106442-1072-09.002109
Date: September 13, 2022
If contract period exceeds the current year, only the current year requirement will be obligated. The difference between the contract amount and obligation above will be obligated at the start of ensuing year.

ACKNOWLEDGEMENT

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

BEFORE ME, a designated person to administer oaths on this 19 day of September 2022, personally came and appeared the following and presenting competent evidence of identity, as follows:


Name	Evidence of Identity
KELVIN LESTER K. LEE	TIN: 199-906-348

all known to me and to me known to be the same persons who executed this Contract, consisting of five (5) pages, including this page, where the acknowledgement is written, and they acknowledged to me that the same is their free and voluntary act and deed as well as the entity/corporation they represent.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my notarial seal on the date and at the place first hereinabove written,

Notary Public

Doc. No. ____
Page No. ____
Book No. ____
Series of 2022


Atty. JASMINE CHARO L. CALAYCAY-ATIENZA
Administering Officer
Asst. Commission Secretary
Securities and Exchange Commission
Republic of the Philippines

ACKNOWLEDGEMENT

Republic of the Philippines)

QUEZON CITY

) S. S.

QUEZON CITY

SEP 07 2022

BEFORE ME, a Notary Public for and in the _____ on this _____ day of August 2022, personally came and appeared the following and presenting competent evidence of identity, as follows:

Name	Evidence of Identity
EMMANUEL REY R. CAINTIC	TIN: 201-236-303-000

all known to me and to me known to be the same persons who executed this Contract, consisting of five (5) pages, including this page, where the acknowledgement is written, and they acknowledged to me that the same is their free and voluntary act and deed as well as the entity/corporation they represent.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my notarial seal on the date and at the place first hereinabove written,

Notary Public

Doc. No. 168
Page No. 3
Book No. LXII
Series of 2022.

ATTY. ROGELIO BOHVAR
 NOTARY PUBLIC - QUEZON CITY
 Commission No. Adm. Matter No. NP-204 (2021-2022)
 IBP O.R. No. 132134 MD 2021 & IBP O.R. No. 133076 MD 2022
 PTR O.R. NO. 2463255D 1/03/22 / Roll No. 33832 / TIN# 129-871-009
 MCLE EXTENSION APRIL 15, 2022 UP TO APRIL 14, 2023 AS PER S.CEN BANC B.M NO. 850
 Address: 31-F Harvard St., Cubao Q.C.



TERMS OF REFERENCE

HIGHLY TECHNICAL CONSULTANT for FINANCIAL TECHNOLOGY (FINTECH) REFORMS AND CAPITAL MARKET FUNCTIONS IN RELATION TO FINTECH

I. SERVICES AND SCOPE OF WORK

A. The general approach for the project is for the engagement of a Highly Technical Consultant (HTC) to work closely with the key/designated/focal personnel of the department/office concerned, as well as the designated working team/technical/functional working group of SEC. The said personnel/working group will be required to coordinate with the Consultant in developing the contract output for the engagement.

B. General Works of the Highly Technical Consultant (HTC)

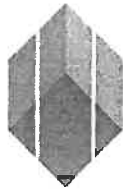
The HTC shall be responsible for the following:

1. Render and deliver in a professional manner the Highly Technical Consultant Services Agreement to manage/supervise or provide assistance to the Office of Commissioner Kelvin Lester K. Lee and the PhiliFintech Innovation Office (PhiliFINNO) in the analysis related to the SEC's (fintech) initiatives/reforms and capital market related functions in relation to fintech.
2. Assist the Office of Commissioner Kelvin Lester K. Lee and the PhiliFINNO in the research and review of capital market related functions in relation to fintech.
3. Help ensure fintech reforms and capital market functions in relation to fintech deliverables are in proper order.
4. Provide technical assistance and guidance to ensure that the fintech reforms and capital market functions in relation to fintech shall be aligned and conformed, subject to existing laws, rules and regulations.

C. Specific Works

The specific work under this Terms of Reference covers the following:

1. Provide technical guidance, advice and assistance to SEC on the following initiatives:
 - a. Assessment/Analysis of the SEC's Proposed Rules on Digital Asset Offering and Digital Asset Exchange.
 - b. Legal and technical consequences/implications of proposed PhiliFINNO initiatives.
 - c. Best approach to implement proposed PhiliFINNO initiatives
 - d. New Fintech products which should be subject to PhiliFINNO's attention and subsequent action/s;
 - e. Initiatives related to stakeholder engagements



- f. Suggestions and insights on improving performance of PhilifINNO's mandate.
 - g. New and popular distributed ledger technology (DLT) platforms
 - h. Other Fintech matters requiring PhilifINNO's attention.
2. Provide a formalized technical process/framework of the inquiry process of fintech candidates undergoing the informal steer as regards Investor Protection, Data Privacy, and Cybersecurity. This can include areas of interest re accountability, reachability, private data protection measures, reporting standards and requirements (e.g. common metrics) for companies undergoing fintech monitoring, Cybersecurity plans and policies, etc.
 3. Provide RegTech and SupTech requirements for all fintechs
 4. Assess/Provide a detailed Program for Industry Dialog campaigns
 5. Formulate Government Finance Sector Blockchain initiatives, such as for Real Estate Investment Trust (REIT) or a Shared Issuance/electronic Certified True Copy (eCTC) registry and verification system
 6. Formulate a possible development concept of an automated/online "sandbox" system for emulation of FinTechs participating in markets to test such items including market impact, ROI, and possible regulatory arbitrage
 7. Provide marketing campaign for Crypto/DAO/DAX rules, once released to provide clarity to aspirants, as well as partner government agencies.
 8. Conduct meetings and consultations with the concerned departments, offices, and external parties in relation to the SEC's fintech reforms and capital market functions in relation to fintech
 9. Submit monthly accomplishment reports for billing purposes in accordance with the existing accounting and auditing rules and regulations.

II. OUTPUT/DELIVERABLES

- A. For the above-mentioned work and services rendered, the following outputs shall be delivered:
 1. Documentation on any evaluation/assessment findings on SEC's fintech initiatives/reforms and capital market functions in relation to fintech
 2. Minutes of meetings conducted with the Office of Commissioner Kelvin Lester K. Lee, related operating departments, and the PhilifINNO
 3. Monthly Accomplishment Report
 4. Other reports as may be required from time to time.

III. QUALIFICATIONS



A. Following are the qualification requirements;

1. Holder of a degree on Information Technology; Engineering, or other related Bachelor of Science degree
2. Demonstrated expertise in tech consultancy particularly, market and risk analysis, resource optimization, fintech software development, maintenance and support, regulatory policy, design, architecture and project implementation with focus on finance, banking, and capital markets, integrating strategic organizational goals with technologies and collaboration with executive management and project stakeholders to ensure smooth operational transitions, as well as increase development and implementation efficiency.
3. Must possess solid knowledge and/or experience in fintech landscape

IV. REPORTING RELATIONSHIP

The consultant will report or work under the direction of the Office of Commissioner Kelvin Lester K. Lee or its designated person/unit and liaise with the various operating departments and the PhilifINNO to assist in determining that all of the SEC's fintech initiatives/reforms and capital market functions in relation to fintech are properly delivered.

V. COMPENSATION

For the work and services to be rendered, the HTC shall be paid on a monthly basis a fixed fee in the amount of ONE HUNDRED THOUSAND PESOS (Php 100,000.00) inclusive of applicable taxes, pursuant to Department of Budget and Management (DBM) and DOST Joint Circular No. 1, s. of 2013 dated June 25, 2013 and DOST Special Order 242 dated June 3, 2013.

VI. CONTRACT DURATION

The Highly Technical Consultant Services Agreement shall be for a minimum period of Six (6) months to commence on an agreed date, renewable upon mutually agreed terms and conditions. However, either party giving the other party fifteen (15) calendar days' advance written notice thereof may terminate this Highly Technical Expert Services Agreement, with or without cause.