

ARTICLE I

Engagement

1.1

Engagement. IT DEVELOPMENT COMPANY hereby agrees to provide to Client IT and development services utilizing IT Development Company employees as is more fully set forth in Article II (the “**Provided Services**”).

1.2

Term. The term of this Agreement shall begin as of the effective date and continue for a period of 12 Months. Notwithstanding the foregoing, this Agreement may be terminated by IT DEVELOPMENT COMPANY and the Client upon three (3) months written notice. IT Development Company shall provide all the files and source codes to the Client upon the termination of the project given that the client settle 100% of the project cost (Total amount of the project for 12 months based on the monthly fees) or remaining months from the 12 months contract. Client must issue post-dated checks for 12 months as integral part of this agreement to IT Development Company.

ARTICLE II

Services Provided by IT DEVELOPMENT COMPANY

- 2.1 Services Provided by IT Development Company. IT Development Company will provide to Client during the term of this Agreement Provided Services as set forth on Services (“**Annex A**” - **Project / Order Confirmation and Requirements**) hereto and any other services as may from time to time be mutually agreed to by the parties in writing. Project Specifications will be mutually agreed by both parties.
- 2.2 Implementation of Provided Services. IT Development Company shall provide all Provided Services in a professional manner, consistent with reasonable industry standards and in compliance with all applicable laws, rules and regulations and the provisions of all agreements known to IT Development Company by which the Client is bound. IT Development Company shall, either directly or through one or more third parties, provide the Provided Services on a full-time or part-time basis as needed in sufficient amounts to provide the Provided Services as may reasonably be required by the IT Development Company personnel providing the Provided Services shall at all times be considered the employees of IT Development Company.
- 2.3 Excusable Delay. Notwithstanding anything to the contrary contained herein, IT Development Company shall not be required to perform any Provided Services if and to the extent that (a) it cannot provide the Provided Services due to causes which are outside of its reasonable control as determined under Section 4.9.
- 2.4 Standard of Care and Errors. Except as set forth in this Agreement, IT Development Company’s sole responsibility to Client with respect to errors and delays in performing the Provided Services hereunder are as follows:
- (i) for errors or omissions in Provided Services, shall be to furnish correct information and/or adjustment in the Provided Services, at no additional cost or expense to Client; provided, Client must promptly advise IT Development Company of any such error or omission of which Client becomes aware after having used reasonable efforts to detect any such errors or omissions; and

(ii) For failure to deliver any Provided Services shall be to use reasonable efforts, subject to the other provisions hereof, to make the Provided Services available and/or to resume performing the Provided Services as promptly as reasonably practicable.

2.5 Cooperation. The parties will use good faith efforts to cooperate with each other in all matters relating to the provision and receipt of Provided Services. Such cooperation shall include exchanging information, performing reconciliations and adjustments, and, upon request, obtaining all third party consents, licenses, sublicenses or approvals necessary to permit IT Development Company to perform its obligations.

2.6 No Warranties. EXCEPT AS SET FORTH IN THIS AGREEMENT, IT DEVELOPMENT COMPANY DOES NOT MAKE ANY WARRANTIES, EXPRESS, IMPLIED OR STATUTORY, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY, BUSINESS CONTINUITY OR FITNESS FOR A PARTICULAR PURPOSE, WITH RESPECT TO THE PROVIDED SERVICES TO BE PROVIDED BY IT DEVELOPMENT COMPANY HEREUNDER.

IN NO EVENT SHALL IT DEVELOPMENT COMPANY BE LIABLE TO "CLIENT" FOR ANY LOST PROFITS, LOSS OF DATA, LOSS OF USE, BUSINESS INTERRUPTION OR OTHER SPECIAL, INCIDENTAL, INDIRECT OR CONSEQUENTIAL DAMAGES, INCLUDING, WITHOUT LIMITATION, PUNITIVE DAMAGES, UNLESS INCURRED AS A RESULT OF OR IN CONNECTION WITH IT DEVELOPMENT COMPANY'S FRAUDULENT OR INTENTIONAL MISCONDUCT.

IT DEVELOPMENT COMPANY ASSUMES NO RESPONSIBILITIES OR OBLIGATIONS WHATEVER, OTHER THAN THE RESPONSIBILITIES AND OBLIGATIONS EXPRESSLY SET FORTH IN THIS AGREEMENT.

ARTICLE III

IT Development Company Fees

3.1 Compensation. In consideration of the performance of IT Development Company's duties set forth herein, Client shall pay to IT Development Company a Development fee of **PHP 33,000.00(Total Project Cost)/Silver Package – One Time Payment**. Any other specifically requested variable costs requested by the Client shall be paid by Client upon the agreement of both parties and shall be added to the Service Fee.

3.2 Invoicing and Payment. IT Development Company shall invoice the Client on a milestone basis during the term of this Agreement, with such invoice payable by the Client within five (5) days of receipt thereof. Charges shall be paid in **PHP** upon receipt of the invoice. A late fee charge of 10% of the total invoice amount per month will be assessed on all payments that are more than five (5) days past due. Any amounts outstanding for more than thirty (30) days after the due date shall constitute a material breach on the part of Client, and shall entitle IT Development Company to cease providing the Provided Services unless and until all past due amounts are paid in full.

3.3 Refund Policy. No refund shall be processed once project confirmation document is signed and all deliverables are endorsed to Design and Development Team.

ARTICLE IV

Miscellaneous

- 4.1 **Binding Effect.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.
- 4.2 **Integration.** This Agreement constitutes the entire agreement between the parties pertaining to the subject matter hereof and supersedes all prior agreements and understandings, oral or written, pertaining thereto.
- 4.3 **Counterparts.** This Agreement may be executed in any number of counterparts, all of which together shall constitute one agreement binding on the parties hereto.
- 4.4 **Applicable Law.** This Agreement shall be governed by and construed and enforced in accordance with the laws of Republic of the Philippines, without giving effect to its principles of conflicts of laws.
- 4.5 **Severability.** In the event any provision of this Agreement is held to be invalid or unenforceable, the valid or enforceable portion thereof and the remaining provisions of this Agreement will remain in full force and effect.
- 4.6 **Amendments.** This Agreement may not be amended or modified, nor may any provision hereof be waived, other than by a written instrument signed by the parties hereto.
- 4.7 **No Waiver.** Failure by either party hereto to enforce at any time or for any period of time any provision or right hereunder shall not constitute a waiver of such provision or of the right of such party thereafter to enforce each and every such provision.
- 4.8 **Assignment.** Either party hereto shall have the right to assign this Agreement with the prior written consent of the other party, which consent shall not be unreasonably withheld or delayed; provided that no such consent shall be needed in connection with any merger, consolidation or reorganization or in connection with a transfer of all or substantially all of such party's business and assets.
- 4.9 **Force Majeure.** IT Development Company will be excused for any failure or delay in performing any of its obligations under this Agreement if such failure or delay is caused by Force Majeure. "Force Majeure" means any act of God or the public enemy, any accident, explosion, fire, storm, earthquake, flood, strike, computer outage or virus, telecommunications failure or any other circumstance or event beyond IT Development Company reasonable control.