

MEMORANDUM OF AGREEMENT
PETRON FLEET CARD

KNOW ALL MEN BY THESE PRESENTS:

This Memorandum of Agreement for Petron Fleet Card ("Agreement") is executed and entered into by and between:

PETRON CORPORATION ("PETRON"), a corporation organized and existing under Philippine laws, with principal office address at the SMC Head Office Complex, 40 San Miguel Avenue, Mandaluyong City, represented herein by its Vice President – National Sales Division, **ARCHIE B. GUPALOR**, and its National Sales Manager – Cards Business Group, **VIRGILIO V. CENTENO**;

- and -

FERTILIZER AND PESTICIDE AUTHORITY ("CUSTOMER"), a government agency duly organized and existing under the laws of the Philippines with office and principal place of business at FPA Building, BAI Compound, Visayas Avenue, Diliman, Quezon City represented herein by its Executive Director, **DR. NORLITO R. GICANA, CESO III**.

PETRON and the CUSTOMER are hereinafter collectively referred to as the "Parties" and individually referred to as a "Party".

WITNESSETH: That -

WHEREAS, PETRON is a petroleum company that is also engaged in the business of marketing and distribution of petroleum products through, among others, the issuance of fleet cards;

WHEREAS, the CUSTOMER is a government agency tasked to assure adequate supplies of fertilizer and pesticide at reasonable prices, rationalize the manufacture and marketing of fertilizer, protect the public from the risks inherent in the use of pesticides and educate the agricultural sector in the use of these inputs.

WHEREAS, the CUSTOMER is in need of an efficient, reliable, continuous and steady supply of petroleum products such as gasoline, diesel, lubricants and minor services for its fleet of vehicles and other like equipment;

WHEREAS, PETRON can provide an efficient clearing, settlement and collection system for its client's fuel purchases through the use of fleet cards.

WHEREAS, pursuant to Resolution No. 15-01, the Bids and Awards Committee of the CUSTOMER awarded the contract for the supply of the CUSTOMER's fuel, oil and lubricant requirements using Petron fleet card services and facilities to PETRON as the single calculated responsive bid in the sum of Philippine Peso: **Two million three hundred sixty three thousand seven hundred ninety one pesos and 85/100 (PhP 2,363,791.85)**. The copies of the pertinent documents are hereto attached which form part of the Contract, as follows:

- (a) Annex "A" – Notice of Negotiated Procurement;
- (b) Annex "B" – Technical Specifications;
- (c) Annex "C" – Detailed Breakdown of Estimate;
- (d) Annex "D" – BAC Resolution No. 15-01; and
- (e) Annex "E" – Notice of Award of Contract and the Contractor conforme thereto.

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NOW, THEREFORE, for and in consideration of the foregoing premises and of the terms and conditions hereunder set forth, the Parties hereby mutually agree as follows:

1. This Agreement shall be effective from **April 1, 2015 to March 31, 2016**. After the expiration of the above term, this Agreement shall automatically be renewed and shall continue to be in effect until terminated by either Party by giving a written notice to the other Party thirty (30) days prior to the date of termination.
2. The Parties agree that the following Annexes constitute integral parts of this Agreement:
 - (a) Annex 1: Application Form and Cardholder Information filled out and signed by the CUSTOMER;
 - (b) Annex 2: Terms and Conditions Governing the Issuance and Use of the Petron Fleet Card; and
 - (c) Annex 3: Towing and Roadside Assistance Service Agreement with Ibero Asistencia.

The CUSTOMER warrants that the information supplied in Annex 1 is true and accurate and may be relied upon for the purpose of processing the application under the Petron Fleet Card program. The CUSTOMER further agrees with the entirety of the Terms and Conditions Governing the Issuance and Use of the Petron Fleet Card in ANNEX 2.

In case of conflict, discrepancy or inconsistency between the aforementioned Annexes and this Agreement, the latter shall prevail.

3. Upon execution of this Agreement, the CUSTOMER shall furnish PETRON a cash bond in the amount of ****Philippine Peso: Two hundred forty four thousand two hundred (PhP 244,200.00)****, as security for the timely payment and settlement by the CUSTOMER of all its accounts, indebtedness and other obligations to PETRON ("Cash Bond").

In the event of any breach by the CUSTOMER of any of its obligation under this Agreement, PETRON may, at its sole discretion, immediately proceed against the Cash Bond.

PETRON shall retain the Cash Bond during the effectivity of this Agreement and shall be returned to the CUSTOMER within thirty (30) days after the termination of this Agreement, provided that the CUSTOMER has fully liquidated and paid all its accounts, indebtedness and other obligations to PETRON and has satisfactorily complied with all its undertakings.

An additional Cash Bond shall be posted by the CUSTOMER to cover any increase in the credit extended to the CUSTOMER or in case of extensions of this Agreement. Further, PETRON reserves the right to demand for an additional Cash Bond, at its sole and absolute discretion, in the event that the Cash Bond is proceeded against under this Agreement or when PETRON determines that the Cash Bond has become insufficient or inadequate.

4. PETRON shall serve the CUSTOMER through the Petron Fleet Cards issued to authorized persons and/or vehicles. The Petron Fleet Cards shall be used solely for purposes of purchasing fuels, lubes and/or services from participating Petron Service Stations.
5. The CUSTOMER shall be responsible for and shall ensure that the Petron Fleet Card transaction slip accurately reflects any and all purchases charged under the Petron Fleet Card. The CUSTOMER may dispute the Petron Fleet Card transaction slip within fifteen (15) calendar days from receipt thereof by providing PETRON with a written notice of the disputed items together with supporting details. If no such notice of dispute with proper supporting details has been sent to PETRON within the foregoing period, the Petron Fleet Card transaction slip shall be deemed conclusive and binding upon the CUSTOMER for all purposes of this Agreement.

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6. The CUSTOMER shall also be responsible for safely retaining the Petron Fleet Card transaction slips. Any request for copies of the Petron Fleet Card transaction slips should be made within fifteen (15) calendar days from the date of the relevant transactions. Otherwise, the request shall no longer be accommodated by PETRON.
7. PETRON shall send to the CUSTOMER the statement of account not later than twelve (12) calendar days from the end of billing cycle, as described in Clause 13 hereof. The CUSTOMER agrees to examine its statement of account and to report any discrepancy within ten (10) working days from receipt thereof. If no error is reported by the CUSTOMER in writing within such period, the statement of account shall be considered as conclusively correct with respect to the CUSTOMER.
8. The CUSTOMER shall be liable for the payment of all obligations or charges arising from the use of the Petron Fleet Card including those which are attributable to the fraudulent use of the Petron Fleet Card by its employees, agents and/or authorized representatives.
9. The CUSTOMER shall immediately report in writing to PETRON if any of its Petron Fleet Card is lost or stolen. The CUSTOMER shall be liable for all purchases made prior to the receipt by PETRON of the written notification. Replacement fees plus VAT shall be charged for each damaged or lost Petron Fleet Card as follows:

| | |
|-----------------|---------|
| a. Damaged Card | P250.00 |
| b. Lost Card | P250.00 |

The foregoing fees may be changed by PETRON by giving the CUSTOMER a written notice thirty (30) days prior to the date of change.

10. For purposes of this Agreement, participating Petron Service Stations are those Petron Service Stations with a Petron Fleet Card point-of-sale terminal. A list of these service stations will be provided by PETRON to the CUSTOMER. The said list may be changed by PETRON without prior notice to the CUSTOMER. PETRON shall provide the CUSTOMER an updated list of participating Petron Service Station from time to time or upon the CUSTOMER's request.
11. PETRON shall waive the one-time joining fee of Php5,000 and the first year membership fee of Php300 per card for all Petron Fleet Cards it issues to the CUSTOMER. PETRON shall waive the membership fee for succeeding years provided that the CUSTOMER's average monthly consumption for the immediately preceding year shall amount to a minimum of two hundred (200) liters per card taking into account all enrolled vehicles.
12. PETRON shall charge a handling fee of 3.5% on all purchases of goods and services.
13. The purchases within a given billing cycle, irrespective of purchase date, shall fall due and be payable, without need of demand, thirty (30) calendar days after the end of the billing cycle. Applicable three percent (3%) per month late payment charge shall be imposed on any and all past due amount. Unless otherwise subsequently instructed by PETRON, the CUSTOMER shall make all payments for its Petron Fleet Card account through any Union Bank or Banco de Oro (BDO) Branch.

Billing cycle will be from the first day of the month to the last day of the same month. Card limits refresh on the first day of the billing cycle.

14. The CUSTOMER agrees to pay in full all outstanding charges appearing on the monthly statement of account on or before the indicated payment due date. Should the due date for payment fall on a Saturday, Sunday or holiday, the payment due date automatically becomes the last working day before the said

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- payment due date. Should any outstanding amount remain unpaid after the payment due date, PETRON may suspend, cancel or terminate the CUSTOMER's Petron Fleet Cards and/or withdraw the privileges granted to the CUSTOMER's card holders immediately. This shall be without prejudice to the other rights and remedies of PETRON under this Agreement or in law or equity.
15. The CUSTOMER earns one (1) point for every P100.00 worth of purchases of PETRON fuels, lubes and/or services through its Petron Fleet Cards at any participating Petron Service Stations. Points may be redeemed for premium items as listed in PETRON's rewards catalogue provided that the CUSTOMER is not in default at the time of redemption.
 16. PETRON shall enroll all vehicles that the CUSTOMER registers under the Petron Fleet Card program for free 24-hour towing and roadside assistance service. This privilege shall be subject to the terms and conditions governing the service agreement between PETRON and Ibero Asistencia, the service provider.
 17. Any amendment to this Agreement shall be in writing and signed by both Parties.
 18. The Parties agree that all the stipulations herein contained shall be deemed conditions as well as covenants and that if default or breach be made of any such covenants and conditions, then this Agreement may be terminated and cancelled by the non-defaulting Party upon written notice to the defaulting Party; provided, however, that except for non-payment default, no default shall be declared under this Agreement unless the Party in default has been given thirty (30) calendar days after written notice to cure such default or breach.
 19. Any dispute arising out of or in relation with this Agreement shall exclusively be brought before the courts of Mandaluyong City, to the exclusion of all other courts.

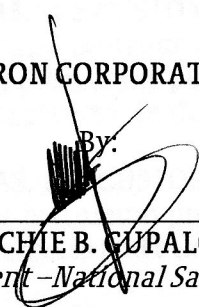
IN WITNESS WHEREOF, the Parties have hereto signed this Agreement on the date and at the place mentioned in the acknowledgment.

PETRON CORPORATION

FERTILIZER AND PESTICIDE AUTHORITY

By:

By:


ARCHIE B. CUPALOR

Vice President – National Sales Division

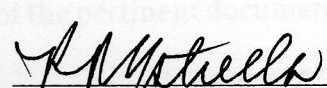

DR. NORLITO R. GICANA, CESO III

Executive Director


VIRGILIO V. CENTENO

National Sales Manager – Cards Business Group

SIGNED IN THE PRESENCE OF:


RODOLFO R. ESTRELLA

*Area Sales Manager
Cards Business Group*


JOSEPHINE S. GUNTAN

*OIC
Finance and Administrative Division*

ACKNOWLEDGMENT

BEFORE ME, a Notary Public for and in above jurisdiction, on _____ personally appeared the following with their respective government issued identification cards, to wit:

| Name | Competent Evidence of Identity | Date / Place of Issue |
|---------------------|-------------------------------------|----------------------------|
| ARCHIE B. GUPALOR | Passport No: EC1691663 | July 22, 2014 / Manila |
| VIRGILIO V. CENTENO | Driver's License No.: C07-90-059536 | November 27, 2013 / Manila |

all known to me and to me known to be the same persons who executed the foregoing Memorandum of Agreement for Petron Fleet Card which consists of seven (7) pages, including the acknowledgment pages, and signed at the left margin of each and every page by the parties executing this instrument and their witness. They acknowledged to me that their signatures on the instrument were freely and voluntarily affixed by them for purposes stated therein and that they were duly authorized by PETRON CORPORATION.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my notarial seal on the date and place above written.

Doc. No. ____;
Page No. ____;
Book No. ____;
Series of 2015.

NOTARY PUBLIC

QUEZON CITY

ACKNOWLEDGMENT

BEFORE ME a Notary Public for and in the above jurisdiction, on 28 MAY 2015, personally appeared DR. NORLITO R. GICANA, CESO III, with FPA ID no. EN009 issued at FPA Quezon City on June 23, 2005; known to me and to me known to be the same person who executed the foregoing instrument and acknowledged to me that the same is his free and voluntary act and deed. Further, he acknowledged to me that he was duly authorized by FERTILIZER AND PESTICIDE AUTHORITY.

This instrument, which refers to the Memorandum of Agreement for Petron Fleet Card which consists of seven (7) pages, including acknowledgment pages, has been signed by the party and his instrumental witness on each and every page hereof.

IN WITNESS WHEREOF, I hereunto set my hand and affix my notarial seal on the date and at the place above written.

Doc. No. 174;
Page No. 54;
Book No. XVI;
Series of 2015.

Notary Public

B. P. Alfonso
ATTY. BENJAMIN F. ALFONSO
NOTARY PUBLIC
NOT. DECEMBER 31, 2016

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[Handwritten initials]