

MEMORANDUM OF AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

This Memorandum of Agreement ("Agreement") made and entered into this _____ day of _____ 2025 by and among:

The DIGIPEP OPC, an information and communications technology provider, with principal office at Suite 92, West Gate Suites, Bldg. 286, Sampson Road, Central Business District, Subic Bay Freeport Zone herein represented by its Technical Manager, **VICTOR SALVATORE T. MANAIG**, and hereinafter referred to as "**DIGIPEP OPC**";

-and-

_____, a _____, with principal office address at _____, herein represented by _____ and hereinafter referred to as the "**MERCHANT**";

WITNESSETH:

WHEREAS, DIGIPEP OPC is engaged in the business of providing digital payment solutions and desires to distribute its ZIAPOS Terminals;

WHEREAS, MERCHANT is engaged in the business accredited by the Development Bank of the Philippines (DBP) and the Department of Social Welfare and Development (DSWD) and desires to incorporate ZIAPOS Terminals into its operations for DSWD's Program: WALANG GUTOM 2027;

WHEREAS, WALANG GUTOM 2027 is a key initiative by DSWD focused on combating involuntary hunger by offering monetary assistance to beneficiaries and encouraging them to become more productive members of society;

WHEREAS, both parties recognize the mutual benefits of collaboration for the distribution and use of ZIAPOS Terminals.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

I. PURPOSE

The purpose of this Agreement is to set forth the terms and conditions under which DIGIPEP will provide ZIAPOS Terminals to MERCHANT and the responsibilities of each party regarding the distribution and use of the terminals for DSWD's Program: WALANG GUTOM 2027.

II. SCOPE OF SERVICES

DIGIPEP OPC agrees to the following obligations:

- Provision of Equipment:** Supply digital terminals that meet the specified technical and functional requirements and ensure that all equipment is delivered in a timely manner and in good working condition.
- Installation and Setup:** Provide installation services to ensure that digital terminals are set up correctly. Conduct initial testing to confirm that all equipment is functioning properly and offer user training sessions to ensure that the client's staff can operate the terminals effectively.

3. **Software Updates and Upgrades:** Regularly provide software updates to enhance the functionality and security of the digital terminals and offer upgrades to newer software versions as they become available, ensuring compatibility and improved performance.
4. **Technical Support:** Provide ongoing technical support and offer troubleshooting assistance to resolve any issues that may arise with the digital terminals
5. **Periodic Maintenance:** Conduct regular maintenance checks on all digital terminals to ensure optimal performance and perform necessary hardware and software diagnostics to identify and address potential issues before they become problematic. For efficiency, DIGIPEP shall provide MERCHANT with a maintenance schedule and detailed reports after each maintenance visit, outlining any work done and any issues found or resolved.
6. **Security Assurance:** Implement security measures to protect digital terminals from cyber threats, regularly update security protocols and software to address new vulnerabilities and conduct periodic security audits to ensure compliance with industry standards and best practices.
7. **Merchant Access to Information for Research and Improvement:** Grant merchant access to relevant data and information collected by the digital terminals and provide a copy thereof, ensuring compliance with privacy and data protection regulations.
8. **Compliance with Regulations:** Ensure that all digital terminals and associated services comply with relevant local, national, and international regulations, and to stay updated on changes in regulations and adjust practices accordingly.
9. **Warranty and Repair Services:** Provide a warranty period during which any defective equipment will be repaired or replaced at no additional cost to the client and offer repair services for any issues that arise outside of the warranty period, ensuring minimal downtime for the client.

MERCHANT agrees to the following obligations:

1. **Proper Use of Equipment:** Use digital terminals according to the DIGIPEP OPC's instructions and guidelines.
2. **Maintenance Cooperation:** Provide access to the digital terminals for periodic maintenance as scheduled by the supplier and report any issues or malfunctions to the supplier promptly to facilitate timely repairs.
3. **Software Updates:** Allow and facilitate the installation of software updates and upgrades provided by the supplier.
4. **Security Compliance:** Implement and adhere to security protocols as advised by DIGIPEP OPC to protect the digital terminals from unauthorized access and cyber threats and notify the supplier immediately in case of any security breaches or suspected vulnerabilities.
5. **Maintenance and Care:** Take reasonable care of the digital terminals to prevent damage and ensure longevity. Perform any basic maintenance tasks as recommended by the supplier, such as cleaning the terminals regularly.
6. **Access and Cooperation for Research and Improvement:** Allow DIGIPEP OPC to collect relevant data from the digital terminals to facilitate research and improvement efforts.

III. TERMS AND CONDITIONS

1. No minimum transaction required to acquire ZIAPOS Terminal.
2. WAGI Wallet users have the ability to utilize the ZIAPOS Terminal for their transactions. This means that individuals who possess a WAGI Wallet account can conveniently make use of the ZIAPOS Terminal to complete their payments or other financial activities. This integration ensures that WAGI Wallet account holders can access and utilize the functionality provided by the ZIAPOS Terminal, enhancing their convenience and options for conducting transactions.
3. There is a **2.8% transaction fee (Merchant Discount Rate)** applied to the total gross amount of transactions made by beneficiaries.
Sample Formula: 2.8% x PHP 3,000 x (No. of beneficiaries) = Net Income
4. An account becomes classified as Inactive if there have been no financial transactions initiated by the Account Holder for a consecutive period of **two (2) months** starting from the date of the last transaction. This means that if there are no activity transactions made by the account holder within two months after their last transaction, the account will be labeled as Inactive.
5. The MERCHANT is obligated to maintain records of all purchases, retain custody of transaction receipts, and shall surrender all receipts to the OPS within **three (3) months** from the date of each purchase. This requirement ensures that the MERCHANT maintains accurate and accessible records of transactions conducted through the ZIAPOS system.
6. **Penalty Acceptance for Schedule Delays.** MERCHANTs are obligated to ensure that the entire specified package reaches the beneficiaries without fail. In cases where there are delays in delivery on the dates scheduled by the DSWD, MERCHANT must agree to accept a penalty. This penalty amounts to either **1/10 or 1% of the total package** value per day, applicable for a **maximum of 5 days**. This provision underscores the importance of timely and reliable delivery, with penalties serving as a deterrent against delays that could disrupt the service provided to beneficiaries.
7. **Ownership and Responsibility for ZIAPOS Terminals.** The ownership of the ZIAPOS terminals will remain with DIGIPEP OPC and/or its designated vendor, service provider, or third party. The MERCHANT is responsible for ensuring the proper care of the ZIAPOS terminals to the best of their ability. Other than the usual wear and tear caused by usage, MERCHANT shall not be liable for any damages incurred due to theft, robbery, fire, or other causes not attributable to the fault of the MERCHANT. In case of damages caused by negligence, misuse, and abuse, the MERCHANT will bear the cost of repairing or replacing the ZIAPOS terminals. If any of the above incidents occur, the MERCHANT must promptly submit a written report detailing the incident and their findings within seven (7) days from the date of occurrence.
8. **Security deposit for ZIAPOS Terminal.** DIGIPEP OPC requires the MERCHANT to provide a security deposit amounting to **Ten Thousand Pesos (PHP 10,000)**, if the ZIAPOS is **brand new**, and Eight Thousand Pesos (**PHP 8,000**), if it's a **second hand terminal**, throughout the term of their agreement. This deposit serves as a financial safeguard to cover the ZIAPOS Terminal. The security deposit must be placed into DIGIPEP's account below. This deposit will be refunded within **3 to 5 working days** after an evaluation is completed, provided that the MERCHANT is found to have incurred no penalties.

DIGIPEP OPC BANK ACCOUNT:

Bank: RCBC

Branch: Pacific Place

Account Name: DIGIPEP OPC

Account Number: 0000007591027791

9. In the event that the MERCHANT shall decide to dispose of or discontinue its business, DIGIPEP OPC shall refund the security deposit to the MERCHANT based on the following conditions:
 - a. **ZIAPOS Terminal**
 - No significant scratches or damage on the screen, body, and buttons, considering the usual wear and tear due to usage. All the internal components are functioning perfectly (no issues with the OS, software, or hardware).
 - b. **Original Box**
 - The box should be intact, without any tears or damage save for usual wear and tear due to prolonged storage. Include any original packaging materials such as foam inserts or protective covers.
 - c. **Cables/Chargers**
 - Original cables are not frayed or damaged and function correctly, considering the usual wear and tear due to usage.
 - d. **Batteries**
 - Original batteries must be included and in good condition without any signs of swelling or damage, aside from when due to prolonged use or due for replacement.
 - e. **Documentation**
 - User manuals, warranty information, quick start guides.
10. In the case that any of the materials associated with the ZIAPOS Terminal are incomplete or missing upon return, corresponding fees shall be deducted from the MERCHANT's security deposit:
 - a. **PHP 10,000** for brand new ZIAPOS terminals
 - One-time payment and shall be deposited to DIGIPEP's bank account upon contract signing.
 - b. **PHP 8,000** for second hand ZIAPOS terminals.
 - One-time payment and shall be deposited to DIGIPEP's bank account upon contract signing.
 - c. **PHP 2,000** Each for any lost materials associated with the ZIAPOS Terminal (including box, cables/chargers, batteries, documentation), and any internal or external scratches or defects identified not related to the usual wear and tear of the product.
- Note: The applicable fees will be determined based on an evaluation of the ZIAPOS unit's condition.***
11. In the event that the ZIAPOS Terminal is found to have a factory defect, DIGIPEP OPC shall replace the terminal at no cost to the MERCHANT, within **five (5) days** from notification of the MERCHANT. This includes all expenses related to the shipping and handling of the defective terminal and the delivery of the replacement terminal. The MERCHANT must notify DIGIPEP OPC of the defect and follow the provided instructions for returning the defective terminal. Upon receipt and verification of the factory defect by DIGIPEP OPC, a replacement terminal will be dispatched to the MERCHANT. This policy ensures that the MERCHANT incurs no additional costs due to manufacturing defects, facilitating uninterrupted business operations.
12. In the event that the MERCHANT requests a replacement for broken cables or chargers due to their negligence, a replacement fee of **PHP 2,000** per cable or

charger will be charged to the MERCHANT. This fee is non-negotiable and must be paid prior to the dispatch of the replacement items.

13. In case of loss or damage of the ZIAPOS Terminal by reason of MERCHANT negligence, a REPLACEMENT fee of **PHP 10,000**, for brand new ZIAPOS terminal, and **PHP 8,000** for second hand ZIAPOS terminal will be charged against the Merchant. This stipulation means that any loss or damage to the terminal will incur a financial penalty for the MERCHANT. The fee is intended to cover the costs associated with **replacing or repairing** the terminal, ensuring that the service provider can maintain the quality and availability of their equipment. MERCHANTS are therefore encouraged to handle the ZIAPOS Terminal with care to avoid this additional expense. However, if the terminal is lost or damaged due to causes not attributable to the MERCHANT, the cost for a replacement shall be divided equally between MERCHANT and DIGIPEP OPC.
14. MERCHANT is responsible for supplying either a SIM card or a Wi-Fi connection for the ZIAPOS to ensure the terminal is operational. MERCHANT must set it up with a functional internet connection, which can be achieved through either a SIM card with data or a stable Wi-Fi network.
15. DIGIPEP OPC will supply **20 rolls of thermal paper** for use with ZIAPOS terminals. Should the merchant require additional rolls beyond the initial provision, they will incur a fee of **PHP 15.00** per roll. This arrangement ensures that merchants have the necessary supplies to operate their terminals efficiently, while also clearly defining the cost structure for any additional thermal paper required.
16. When applicable, in the execution of the Services described herein, the MERCHANT shall consistently adhere to the provisions of Republic Act No. 10173, known as "the Data Privacy Act of 2012," including its implementing rules and regulations, as well as all other relevant laws and government directives currently in effect or that may be enacted in the future concerning data privacy and the protection of personal information.

IV. **HELP DESK/SUPPORT**

The MERCHANT will have access to DIGIPEP's helpdesk and support services. These services include, but are not limited to, technical assistance, troubleshooting, and guidance related to the use of DIGIPEP's platform and services. The MERCHANT may contact the support team through the following channels:

Contact Information:

Designated Contact for **Customer Service Representative (CSR)**

Name: NAMME COSTALES
Number: +639626301559
Email: nd.costales@digipep.biz

Name: GRANT HILL MAYO
Number: +639531206957
Email: gh.mayo@digipep.biz

Name: BILLY JOE QUINTO
Number: +639531656498
Email: bj.quinto@digipep.biz

Name: MARIA LEONORA THERESE LEGASPI
Number: +639634582015
Email: ml.legazpi@digipep.biz

Designated Contact for Technical Support/Concerns

Name: VICTOR SALVATORE T. MANAIG
Position: Technical Support
Email: victor.manaig@pmti.biz

Name: EMMAN POBLETE
Position: Project Manager
Email: emmanuel.poblete@pmti.biz

Return Address:

Unit 6, 2nd Floor, Fengfu Building, Blk 44-1 Rizal Highway, Central Business District, Subic Bay Freeport Zone, Zambales, Philippines, 2200.

V. LIQUIDATED DAMAGES

In the event of a material breach of this Agreement by the MERCHANT, or if the MERCHANT violates any of the significant terms outlined in this Agreement, DIGIPEP OPC will notify the MERCHANT of the breach in writing, providing specific details of the non-compliance. The MERCHANT will have a reasonable period, not less than 30 days, to remedy the breach. If the MERCHANT fails to cure the breach within the specified period, DIGIPEP OPC reserves the right to impose liquidated damages, which shall be proportionate to the cost incurred and shall not exceed a reasonable amount. This clause ensures that DIGIPEP OPC is compensated for the breach and serves as a deterrent against non-compliance with the Agreement's essential provisions. The liquidated damages are intended to cover the administrative, legal, and other costs incurred by DIGIPEP OPC as a result of the MERCHANT's non-compliance, reflecting the seriousness of adhering to the agreed-upon rules and regulations.

VI. NON-GRAFT CLAUSE

Each of the agreeing/signing Parties warrant that none of them has given nor promised to give money or any consideration to any officer or employee of the other party to obtain this Agreement. The violation of this warranty shall constitute a sufficient ground for the rescission or termination of the Agreement without need of judicial action upon a fifteen (15) days prior written notice to the offending Party.

VII. TERMINATION

- A. The Agreement shall be deemed terminated either through mutual written agreement or just cause as follows:
1. Failure of any of the Parties to perform any of its material obligations pursuant to the terms of this Agreement due to no fault of the other;
 2. Any material misrepresentation committed by any of the Parties; and
 3. Continuing or repeated non-compliance, willful violation, or nonperformance of other terms and conditions hereof which is hereby deemed a material breach of this Agreement.

Any of the Parties who wish to terminate this Agreement must serve the other Party with a written notice thirty (30) days before the date of termination. If the reasons for the termination are those stated in Article VII Nos. 1-2 of this Agreement aside from such notice, a consultation must be made with the other Party. After the consultation, the Parties shall decide whether to terminate this Agreement, or to exempt, defer or suspend the performance of part of obligations of either Party. Such decision shall be in writing and signed by the Parties' respective

representatives: Provided, that after the end of the causes stated, the Party who fails to perform its obligations under this Agreement shall promptly comply with its obligations and responsibilities under this Agreement;

- B. Termination of this Agreement shall be without prejudice to the liabilities incurred by each Party before the date of such termination; and
- C. Anything in this Agreement to the contrary notwithstanding, any delay in or failure or performance by any of the Parties of its obligation under this Agreement shall not constitute default or give rise to terminate this Agreement if, and to the extent that, such delay or failure is caused by an occurrence beyond the reasonable control of such Party, including, but not limited to the following: acts of God, compliance with any lawful order of any governmental authority, acts of war, rebellion, insurrection, riots or sabotage, information system breakdowns, epidemics, or any other case, whether or not of the same class or kind as those specifically described above. Provided, that such causes or occurrences shall not relieve such guilty Party of liability in the event of its concurring negligence, or in the event of its failure to use due diligence to avoid or remedy the situation.

VIII. MISCELLANEOUS

This Agreement constitutes the entire agreement between the parties and supersedes all prior agreements and understandings, whether written or oral.

Any amendments or modifications to this Agreement must be in writing and signed by both parties.

This Agreement shall be governed by and construed in accordance with the laws of the Philippines.

Any dispute arising out of or in connection with this Agreement shall be resolved through good faith negotiations between the parties.

IN WITNESS WHEREOF, the Parties have hereunto affixed their signatures on day of _____ 2025 at the City of _____, Philippines.

MERCHANT

Name : _____
Title : _____
Date : _____

DIGIPEP OPC

Name : VICTOR SALVATORE T. MANAIG
Title : Technical Manager
Date : _____

SIGNED IN THE PRESENCE OF:

REPUBLIC OF THE PHILIPPINES)
CITY OF MANILA) S.S

ACKNOWLEDGMENT

BEFORE ME, a Notary Public for and in the City of _____, on _____, personally appeared:

Name	Competent Evidence of Identity	Issued on/Valid until
MERCHANT Represented by:	_____	_____

DIGIPEC OPC Represented by: <u>VICTOR SALVATORE T. MANAIG</u>	PP No. <u>P3527243C</u>	<u>DFA NCR EAST/3.9.23</u>
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known to me to be the same persons who executed the foregoing instrument which consists of eight (8) pages, including this page whereon this acknowledgment is written, and they acknowledged to me that the same is their free and voluntary act and deed, and of the institutions they respectively represent.

WITNESS MY HAND AND NOTARIAL SEAL on the place and date first above written.

NOTARY PUBLIC

Doc. No. _____;
Page No. _____;
Book No. _____;
Series of 2025.