MEMORANDUM OF AGREEMENT

KNOWN ALL BY THESE PRESENTS:

This Memorandum of Agreement (MOA) is entered into this 19th day of March 2014 at Pasay City, by and between:

PHILIPPINE ECONOMIC ZONE AUTHORITY, a government corporation created and operating under Republic Act No. 7916, as amended, with office address at PEZA Building, Roxas Boulevard corner San Luis Street, Pasay City, represented by its Director General, HON. LILIA B. DE LIMA, who is duly authorized and hereinafter referred to as the "PEZA",

- And -

CITY GOVERNMENT OF PARAÑAQUE, a local government unit, with office address at Parañaque City Hall, San Antonio Avenue, San Antonio Valley I, Parañaque City, represented herein by its Mayor, HON. EDWIN L. OLIVAREZ, who is duly authorized, and is hereinafter referred to as the "City Government of Parañaque".

WITNESSETH:

WHEREAS, Section 23 of R.A. No. 7916 (The Special Economic Zone Act of 1995) as amended, provides that business establishments operating within the ECOZONES shall be entitled to the fiscal incentives as provided for under Presidential Decree No. 66, the law creating the Export Processing Zone Authority, or those provided under Book VI of Executive Order No. 226, otherwise known as the Omnibus Investments Code of 1987;

WHEREAS, Section 18 (f) of Presidential Decree No. 66 provides that "a zone enterprise shall also enjoy the following incentive benefits: "(f) Exemption from Local Taxes and Licenses, - notwithstanding the provisions of law to the contrary, any business enterprise engaged in the production, processing, packaging, or manipulation of export products shall, to the extent of their construction, operation or production inside the zone, be exempt from the payment of any and all local government imposts, fees, licenses, or taxes, except real estate taxes imposed under Commonwealth Act Numbered Four Hundred Seventy and Republic Act Numbered Fifty-four Hundred Forty-seven. Provided, that said business enterprise shall pay in the municipality where the zone is located, real estate taxes on all its real properties located therein";

WHEREAS, Article 78 of Book VI of Executive Order No. 226 provides that "a zone registered enterprise shall also enjoy all the incentive benefits provided in Article 39 hereof under the same terms and conditions stated therein. In addition, zone registered enterprises shall also be entitled to the following:
"(a) Exemption from Local Taxes and Licenses. - Notwithstanding the provisions of law to the contrary, zone registered enterprises shall, to the extent of their construction, operation or production inside the zone be exempt from the payment of any and all local government imposts, fees, licenses or taxes except real estate taxes which shall be collected by the Province/City/Municipality responsible for the collection thereof under the provisions of the Real Property Code. Provided, That machineries owned by zone registered enterprises which are actually installed and operated in the Zone for manufacturing, processing or for industrial purposes shall not be subject to the payment of real estate taxes for the first three (3) years of operation of such machineries - XXX ...

(b) Production equipment or machineries, not attached to real estate, used directly or indirectly, in the production, assembly or manufacture of the registered product of the zone registered enterprise shall be exempt from real property taxes."

WHEREAS, after the lapse of the Income Tax Holiday (ITH) incentive enjoyed by PEZA-registered companies under Article 39 of Book VI of Executive Order No. 226, Section 24 of RA 7916, as amended, provides that "except for real property taxes on land owned by developers, no taxes, local and national, shall be imposed on business establishments operating within the Ecozone. In lieu thereof, five percent (5%) of the gross income earned by all business enterprises within the Ecozone shall be paid and remitted as follows:

(a) Three percent (3%) to the National Government

(b) Two percent (2%) which shall be directly remitted by the business establishments to the treasurer's office of the municipality or city where the enterprise is located"

WHEREAS, the City Government of Parañaque has an existing zoning ordinance, i.e., City Zoning Ordinance No. 07-017, adopting the Framework of Boulevard 2000;

WHEREAS, the National Building Code of the Philippines (NBCP) requires owners/operators of buildings, establishments and facilities as well as enterprises that occupy or use them, to secure Building and Occupancy Permits and other related permits from the Building Officials of their Local Government;

WHEREAS, under Republic Act No. 7916, as amended, and Executive Order No. 282 dated 30 October 1995 in relation to Presidential Decree No. 1786 dated 15 January 1981, the responsibility to implement, administer and enforce the National Building Code (Presidential Decree No. 1096) in all PEZA-owned/administered Buildings/Parks/Centers/Special Economic Zones (SEZs) is vested in the PEZA;

WHEREAS, the imposition of Mayor's permits and other regulatory fees and charges proceeds from the power of local governments to regulate any business, activity or undertaking conducted or to be conducted within their territorial jurisdiction. Such power to regulate emanates from police power which is expressly provided under Section 16 (General Welfare Clause) of the Local
Government Code which states that “Every Local Government unit shall exercise the powers expressly granted, those necessarily implied therefrom, as well as powers necessary, appropriate, or incidental for its efficient and effective governance, and those which are essential to the promotion of the general welfare. xxx”. Business establishments are therefore, subject to these regulatory fees unless expressly declared by law to be exempt therefrom.”

WHEREAS, The City Government of Parañaque promulgated Ordinance No. 04-22, Series of 2004 known as the PARAÑAQUE CITY REVENUE CODE which shall govern the levy, assessment and collection of all city taxes, fees, charges and other impositions imposed within the territorial jurisdiction of the City of Parañaque.

WHEREAS, The City Government of Parañaque, in its Council Resolution No. 08-059, Series of 2008, saw the need for a Memorandum of Agreement (MOA) which shall establish the modalities among the entities mentioned therein;

WHEREAS, there is a need for PEZA and City Government of Parañaque to work together to enhance the unhampered operation of PEZA-registered enterprises in Parañaque City.

WHEREAS, PEZA and the City Government of Parañaque both recognize the indispensable role of the local government in attaining a competitive and business-friendly Philippines for foreign investments.

WHEREAS, PEZA and the City Government of Parañaque are both willing to coordinate and cooperate to promote the country as a strategic location for foreign investors.

NOW THEREFORE, for and in consideration of the foregoing premises, the parties to this MOA have agreed to the following:

1.0 Roles and Responsibilities of PEZA:

1.1 To provide the City Government of Parañaque not later than thirty (30) days from signing of this MOA, a certified list of all PEZA-registered enterprises entitled to PEZA incentives located within PEZA-administered buildings/centers/parks/SEZs as of date, and henceforth to provide the City Government of Parañaque with said list on an annual basis which shall include information on each of the PEZA-registered enterprises as follows: date of PEZA registration, registered activities, address, date of start of commercial operations, period covered by the income tax holiday incentive and date of start of the 5% tax on gross income in lieu of national and local taxes, total floor area of operations, total number of employees (broken down into managerial/supervisory and technical/administrative staff).

1.2 To administer and implement the National Building Code of the Philippines (NBCP) only to PEZA-registered enterprises entitled to PEZA incentives as authorized under R.A. No.
7916 and its implementing rules and regulations, and shall remain fully responsible and accountable for the issuance of permits only on the spaces occupied by PEZA companies and/or Building Permits where applicable;

1.3 To require all PEZA-registered enterprises entitled to PEZA incentives located within the territorial jurisdiction of Parañaque City to pay to the latter the following fees:

a. Waste Management Fee

<table>
<thead>
<tr>
<th>Aggregate Area</th>
<th>Fee Per Quarter</th>
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</thead>
<tbody>
<tr>
<td>1,000 sq. m. or above</td>
<td>P1,000.00</td>
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<tr>
<td>500 sq. or more but less than 1,000 sq.m.</td>
<td>800.00</td>
</tr>
<tr>
<td>200 sq.m. or more but less than 500 sq.m.</td>
<td>500.00</td>
</tr>
<tr>
<td>100 sq.m. or more but less than 200 sq.m.</td>
<td>300.00</td>
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<tr>
<td>50 sq.m. or more but less than 100 sq.m.</td>
<td>200.00</td>
</tr>
<tr>
<td>25 sq.m. or more but less than 50 sq.m.</td>
<td>100.00</td>
</tr>
<tr>
<td>Less than 25 sq.m.</td>
<td>50.00</td>
</tr>
</tbody>
</table>

b. Mayor’s Permit

| Permit Fee on Exercise of Profession, Occupation or calling per person/year as specified by the Parañaque City Revenue Code | 300.00 |

d. Health Certificate Fees

| Managerial/Supervisory Personnel per person/year | 60.00 |
| Office Personnel and Staff per person/year     | 60.00 |

e. Sanitation Inspection Fee

<table>
<thead>
<tr>
<th>Aggregate Area</th>
<th>Fee Per Annum</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,000 sq.m. or above</td>
<td>P1,100.00</td>
</tr>
<tr>
<td>500 sq.m. or more but less than 1,000 sq.m.</td>
<td>800.00</td>
</tr>
</tbody>
</table>
200 sq.m. or more but less than 500 sq.m. 500.00
100 sq.m. or more but less than 200 sq.m. 300.00
50 sq.m. or more but less than 100 sq.m. 200.00
25 sq.m. or more but less than 50 sq.m. 100.00
less than 25 sq.m. 50.00

f. City Card
Non-Parañaque resident 750.00

PEZA-registered enterprises located within PEZA-administered buildings/centers/parks/SEZs shall pay said fees to the City Government of Parañaque on top of the 2% share in the 5% tax gross income even after the expiration of their ITH.

1.3.1 For Ecozone Developer/Operator enterprises/companies existing or operating at the time of effectiveness of this MOA, payment shall be made within thirty (30) days from date of signing of this MOA without penalties and interest; for succeeding years, however, payment shall be made on or before January 20th of each year to avoid penalties. For new PEZA registered enterprises, payment shall be made within thirty (30) days from date of start of their commercial operations.

1.3.2 The initial remittance by the aforementioned Ecozone Developer/Operator enterprises/companies to the City Government of Parañaque of the above-stated fees shall cover fees for 2014 without penalties, excluding, however, those enterprises which have paid said fees to the City Government of Parañaque prior to the effectivity of this MOA. For every succeeding year, however, the remittances of the said fees shall be made on or before January 20th of each year to avoid penalties.

1.3.3 For newly registered PEZA enterprises, they shall remit to the City Government of Parañaque the above listed fees not later than thirty (30) days from the start of their commercial operations. For succeeding years, remittance of fees shall be the same as provided under par. 1.3.1 above. PEZA shall provide the City Government of Parañaque all the information as stated in Section 1.1. of this Agreement.
1.4. To inform PEZA-registered enterprises entitled to PEZA incentives and are already availing of the 5% tax on gross income incentives in lieu of national and local taxes, to submit a copy of their Income Tax Returns and pay directly to the Parañaque City Treasurer the amount representing 2% of the 5% tax on gross income in accordance with BIR's Revenue Regulations No. 1-2000 dated 12 November 1999.

1.5 PEZA may register business enterprises existing prior to the enactment of the PEZA Law and such business enterprises previously registered with the BOI provided that the said business enterprises shall be required to comply with Section 1.3 of this MOA which refers to the Mayor's permit fee and other regulatory charges.

1.6 To submit to the Office of the City Assessor of Parañaque sworn declarations of PEZA registered enterprises of their capital equipment, if any, to include kind, purchase or acquisition cost, date of purchase/acquisition, date of operation, freightage, insurance and installation cost.

2.0 Roles and Responsibilities of the City Government of Parañaque:

2.1 To be responsible for the issuance of all City Government of Parañaque Permits and Permits under the National Building Code of the Phils. (NBCP) and shall fully be responsible and accountable for the issuance of Building Permits, Sanitary/Plumbing (to cover sanitary/plumbing fixtures and installations within the premises of PEZA-registered enterprises in accordance with the NBCP, Electrical/Electronic Permit, Mechanical Permits, Certificate of Occupancy/Use, Change of Use, Certificate of Annual Inspection, Permit to Operate and Fire Safety Inspection Certificates and other ancillary and accessory permits, and the annual renewal of such permits, including but not limited to the collection of prescribed fees relative thereto for:

a. PEZA-registered enterprises not entitled to PEZA incentives, e.g. Developers/Operators of Buildings/Parks/Centers/SEZs proclaimed by the President of the Philippines by virtue of R.A. No. 7916 as amended:

b. Non-PEZA-registered enterprises in the PEZA-administered Buildings/Parks/Centers/SEZs.

2.2 To immediately issue Official Receipts for fees remitted to the City Government of Parañaque pursuant to Section 1.3 of this MOA, and to issue the permits or certificates to the PEZA-registered enterprises within 30 working days corresponding to the fees remitted to City Government of Parañaque and on the basis of supporting documents.
submitted by PEZA as provided in item 1.1 of this MOA except the Sanitary Inspection Certificate which shall be part of the permits to be issued by PEZA under Section 1.2 of this MOA.

2.3 To recognize the validity of all permits issued by PEZA to PEZA-registered enterprises entitled to incentives, as evidenced by the list of PEZA-registered enterprises to be submitted by PEZA to the City Government of Paranaque under Section 1.1 of this MOA, in lieu of the Barangay Clearance/Zoning Clearance required by the City Government of Paranaque. In proclaimed areas, however, where the local government endorsement required the observance of the provisions of the Comprehensive Land Use Plan and City Zoning Ordinance No. 07-17, PEZA-registered enterprises shall secure the necessary locational clearance from the City Government of Paranaque.

2.4 To recognize the validity of all permits issued by PEZA in accordance with the National Building Code of the Philippines, as provided in Section 1.2 of this MOA, including the Sanitary Inspection Fees under the Parañaque Revenue Code remitted by the registered enterprises directly to the City Government of Paranaque in accordance with Section 1.3 of this MOA.

2.0 Amendments. This MOA may be amended or revoked upon mutual agreement of both parties, provided that all amendments shall be covered by Supplemental Provisions signed by both parties which shall be incorporated as integral parts of this MOA.

3.0 Effectivity. This MOA shall take effect immediately and shall be transmitted to the City Council of Parañaque for its ratification.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands on the date and place first above-written.

PHILIPPINE ECONOMIC ZONE AUTHORITY

By: [Signature]

HON. LILIA DE LIMA
Director General

CITY GOVERNMENT OF PARAÑAQUE

By: [Signature]

HON. EDWIN L. OLIVAREZ
City Mayor

Signed in the presence of
ACKNOWLEDGMENT

Republic of the Philippines
City of

BEFORE ME, this __________ day of __________, 2014, personally appeared

<table>
<thead>
<tr>
<th>Name</th>
<th>Competent Proof of Identity</th>
<th>Date/Place of Issuance</th>
</tr>
</thead>
<tbody>
<tr>
<td>EDWIN L. OLIVAREZ</td>
<td>Passport # EB4372827</td>
<td>1-4-12, Manila</td>
</tr>
<tr>
<td>LILIA B. DE LIMA</td>
<td>Passport # EB8563703</td>
<td>7-4-13, Manila</td>
</tr>
</tbody>
</table>

both known to me and to me known to be the same persons who executed the foregoing instrument and acknowledged to me that the same is their free and voluntary act and deed as well as the entities represented.

Said instrument refers to a Memorandum of Agreement (MOA) consisting of eight (8) pages including this page, signed by the parties and their witnesses on each and every page thereof and sealed with my notarial seal.

Doc. No. 201
Book No. 412
Page No. 1
Series of 2014.

[Signature]

MROSS VINCENT S. SY
NOTARY PUBLIC FOR PASAY CITY
COMMISSION NO. 13-14 UNTIL DEC. 31, 2014
ATTY. ROLL NO. 503-15
ISP NO. 368527/3-13/1 CAM. SUR
P.T.T. NO. 367/498/03-11/PASAY CITY