

Sangalang & Gaerlan, Business Lawyers

APOLLO X.C. S. SANGALANG MARVYN A. GAERLAN GERALD DICK B. BARO GERARD NELSON C. MANALO NATHALIE L. PATTUGALAN CHRISTIAN ANDREW L. GALLARDO NADINE D. RACELIS EARL LOUIE M. MASACAYAN www.paladinslaw.org

| Date: | |
|-------|--|
| | |

| Client Name: | |
|------------------|--|
| Contact Details: | |

Re : SERVICE AGREEMENT

Gentlemen:

We, Sangalang & Gaerlan, Business Lawyers ("SGLawFirm Online"), hereby confirm our availability to act as your LEGAL CONSULTANTS under the following <u>ESSENTIAL</u> <u>TERMS and CONDITIONS</u>:

1. Hourly Professional Fee (PF):

- We specialize in labor law, corporate law and business-related laws.
 - The hourly professional fee or PF of our lawyers are:

| PhP5,000 (USD100) | - Atty. Apollo X.C. S. Sangalang |
|-------------------|---|
| PhP4,000 (USD80) | - Atty. Marvyn A. Gaerlan CTRP |
| PhP3,000 (USD60) | - Atty. Gerald Dick B. Baro |
| PhP3,000 (USD60) | - Atty. Gerard Nelson C. Manalo |
| PhP3,000 (USD60) | - Atty. Nathalie L. Pattugalan CPA |
| PhP3,000 (USD40) | - Atty. Christian Andrew L. Gallardo |
| PhP3,000 (USD40) | - Atty. Nadine D. Racelis |
| PhP3,000 (USD40) | - Atty. Earl Louie M. Masacayan LLM DBA |
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- Some of our lawyers have sub-specializations, such as data privacy law, etc.
- For details about our billing, collection and payment policies, please read the attached General Terms and Conditions (ANNEX A). <u>NOTE: +12% Value Added Tax (VAT)</u>.

2. Negotiated Fixed/Flat Professional Fee or PF (in lieu of Hourly Fee):

- Instead of the hourly PF, you may engage us on a **negotiated fixed/flat PF** for some of our legal services based on the criteria mentioned in **Item 2** of **ANNEX A**.
- You may also engage us on a retainer-basis (or fixed monthly PF or retainer fee or RF) starting at <u>PhP2,500/month</u> for some of our legal services (e.g. corporate secretary services; corporate treasurer services; data protection officer services; etc.).
- Our fixed/flat PF and/or monthly retainer fee or RF depends on the Scope of Work.
- If our PF has NOT been pre-negotiated and/or fixed, then the default rate shall be our hourly PF mentioned above. <u>NOTE: +12% Value Added Tax (VAT)</u>.

3. Success Fee / Settlement Fee (SF):

- In the event that you engage us to represent you in a claim for a sum of money or thing of value, or to defend you from such a claim, whether criminal, civil, administrative or labor, we shall be entitled to a **Success Fee or Settlement Fee or SF**.
- Whenever, through our effort, you have actually realized, recovered, gained or saved **any amount or value**, then you shall pay us SF.
- Unless otherwise agreed upon, our SF shall be at least **15%** of whatever amount or value you have actually realized, recovered, gained or saved through our effort.
- If the amount or value cannot be determined or estimated (or should you request for a negotiated, fixed or discounted SF), then at no instance shall it be less than PhP35,000.
 NOTE: +12% Value Added Tax (VAT).

4. Out-of-pocket Expenses (OPE):

- On top of our PF, RF and SF, we shall require you to reimburse our OPE.
- Whenever proper, we shall also require you to **DEPOSIT** an appropriate amount for the OPE that we expect to incur in connection with the services you requested.
- Except for **Tariff**, OPE are based on the actual costs and expenses that we have incurred in rendering our services (plus Value Added Tax or VAT, if necessary).
- Our Attorneys and Paralegals shall charge you either our fixed **Tariff** or the actual cost and expenses of travel and transportation, whichever is higher. Our Tariff takes into account the wear and tear of our motor vehicles, as well as our time in traffic.
- Please read our Tariff Schedule and other details about OPE in ANNEX A.

5. Integrity Clause:

• Our motto is *WIN With INtegrity*. Hence, we shall only advise and implement winning strategies and solutions that are legal, ethical and moral, as well as practical.

Should you find the foregoing terms acceptable, please sign on the space provided below and on each and every page, and then transmit to us a signed copy for our records. Thank you.

We WIN With INtegrity,

APOLLO X.C.S. SANGALANG For the Firm

CONFORME:

Client Name:

By:

⁽Please print name of client and authorized signatory and then affix signature and date)

NOTE: This Agreement has two (2) parts: the Essential Terms and Conditions and the General Terms and Conditions (ANNEX A). Please read them both. And please sign or initial all the pages of this Agreement. Thank you!

ANNEX A

GENERAL TERMS and CONDITIONS

- 1. Hourly Professional Fees (PF): Our reasonable travel time to and from our meeting place outside our office, or to and from the place (outside our office) where we are to render our service (e.g. courts), shall also be billable work, if such travel was upon your request or for your benefit. Reasonable waiting time shall also be treated in the same manner.
- 2. Negotiated Fixed/Flat Professional Fees (PF): The negotiation and fixing of our PF shall take into consideration the time spent or will be spent; the responsibility you placed upon our shoulders; the difficulty, urgency or importance of specific work or undertaking; the benefits to you of our accomplishments; the risk of success or failure; opportunity loss (as legal ethics prohibits us from representing conflicting interests); the wealth of experise, experience, network and connections that we must tap into; and such other relevant factors. In most cases, we would simply multiply our hourly PF with the time that we estimate to spend in rendering the services that you requested.

As much as practicable, our negotiation and agreement concerning PF shall be documented by way of an **ADDENDUM**, or at the very least, by way of email, chat or text exchanges to prevent any miscommunication or misunderstanding. For this purpose, we may send you a **Service Quotation (SQ)** or a proposed **Engagement Agreement (EA)** or **Project Agreement (PA)**, as the case may be.

3. Out-of-Pocket Expenses (OPE): All OPE that we have incurred, or shall incur, for your benefit shall be for your sole account. OPE refer to telecommunication expenses; postage and courier expenses; printing, scanning, and photocopying expenses; notary public fees; reasonable representation expenses; secretarial, clerical, stenographic, messengerial, and other miscellaneous expenses; travel and transportation expenses (based on the TARIFF schedule below), tollway fees and parking fees incurred in all work-related travel, or personal visits to your office or to various courts and government offices, or in meetings and conferences outside our office; as well as government fees and service fees paid to third parties, and the like.

<u>Metro Manila TARIFF Rates</u>: PhP1,120 per Attorney or Paralegal (*add tollway fees and parking fees, if applicable*). If the actual cost is higher than Tariff, then you shall pay or reimburse us the actual cost.

<u>Provinces near Metro Manila TARIFF Rates</u>: PhP2,240 within Bulacan, Rizal, Laguna, and Cavite; and PhP3,360 within Quezon, Batangas, Aurora, Pampanga, Bataan, Nueva Ecija, Zambales and Tarlac (*add meal and lodging expenses, tollway fees, and parking fees, if applicable)*. This rate is per Attorney or Paralegal. If the actual cost is higher than Tariff, then you shall pay or reimburse us the actual cost.

For other out-of-town trips: As per actual cost, which shall include all travel and (air, sea and land) transportation expenses, tollway fees, terminal fees, parking fees, meal and lodging expenses, and other necessary or incidental expenses that we may or have incurred for your benefit (plus VAT in certain instances).

- 4. Billing: We shall send to you via email Service Reports (SRs) and/or Statements of Account (SOAs) after every service rendered, or after every billing period (which is every month for Retainer Fees or RF). <u>NOTE: +12% Value Added Tax (VAT) on all PF, RF and SF.</u>
- 5. Payment Instructions: You shall pay our PFs and deposit/reimburse our OPE by way of deposit to the any of the bank accounts or online payment platforms of Sangalang & Gaerlan, Business Lawyers within seven (7) calendar days from your date of receipt of our SR or SOA, without need for any follow-up, request, or demand.

*For Retainer Fees or RF, you shall pay it in advance on or before the 5th day of each month. Please contact us for the latest updates on our <u>PROMPT PAYMENT PROMO</u>.

Time is of the essence.

You shall scan or photograph your deposit slip (indicating payor's name and Tax Identification Number - TIN), and then email it to <u>billing@paladinslaw.org</u> so we can issue your official receipt.

If you insist that we pick up your payments and OPE reimbursements from your office, then we shall charge you for all the actual and incidental costs and expenses that we shall incur for the pick up.

We are a general professional partnership (GPP). We are EXEMPTED from any creditable or Expanded Withholding Tax (EWT) as per tax laws and BIR regulations. Please DO NOT DEDUCT OR WITHHOLD any creditable EWT from us.

- 6. Interest Charges: Unpaid PF and unreimbursed OPE shall be considered overdue 30 days after the due date indicated in the SR or SOA. Overdue accounts shall bear 1% interest per month.
- 7. Effect of Non-Payment or Delayed Payment: Aside from the interest charges above, any non-payment or unreasonable delay in the payment of our PF and in the reimbursement of our OPE shall be a ground for either the immediate suspension of the delivery of our services and/or for the termination of this Agreement. You shall receive a 30-day notice of termination.
- 8. Credit Limit: Notwithstanding the foregoing provisions, you shall have a credit limit of only <u>PhP25,000</u>. The moment you exceed your credit limit, a policy of *"pay us first before we render further services"* shall be imposed. Note that we may adjust your credit limit from time to time at our sole discretion.
- **9.** Conflict of Interest: Professional ethics restricts us from accepting an engagement involving the prosecution or defense of your interests adverse to those of our other clients whom we currently represent or previously represented. In certain occasions, the conflict of interest may not be readily discernible at the time we accepted an engagement from a client. Accordingly, we are compelled to reserve the right to withdraw from the engagement should such conflict eventually develop or become apparent.

However, we may agree, on a case-to-case basis, to act as transaction counsel to reduce into the appropriate legal document the basic terms reached between you and our other client (or former client) without our partisan involvement.

- **10. Privacy Policy:** This Agreement is governed by our Lawyer's Oath and Code of Professional Responsibility and Accountability, which state that all communications pursuant to our lawyer-client relationship are privileged and strictly confidential. It is also subject to our Data Privacy Policy, which can be found on our website.
- **11. Amendments and Waivers:** Any amendment to this Agreement shall be valid only when in writing and signed by both parties. Moreover, only signed written waivers shall be binding and effective.

Should you find the foregoing terms and conditions acceptable, please sign on the space provided below and on each and every page, and then transmit to us a signed copy for our records. Thank you.

We WIN With INtegrity,

APOLLO X.C.S. SANGALANG For the Firm

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(Please print name of client and authorized signatory and then affix signature and date)

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