PATTON BOGGS, L.L.P.
2550 M STREET, N.W.
WASHINGTON, D.C. 20037-1350
(202) 457-6000
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WRITER'S DIRECT DIAL
(202) 457-5209

September 13, 1996

0084467

Hon. Antonio I. Basilio
Minister and Deputy Chief of Mission of the Republic of Philippines
1600 Massachusetts Avenue, N.W.
Washington, D.C. 20036

96 SEP 24 AM 10:58
CRM/ISS/REGISTRATION UNIT

Re: Engagement Letter

Dear Tony:

We are pleased that the Department of Trade and Industry of the Republic of the Philippines has retained Patton Boggs, L.L.P. to represent it in contacting major private U.S. business and financial institutions for the purpose of facilitating their investments in the Philippines, under the direction of the Secretary of Trade and Industry and the Philippine Embassy. I will coordinate this project working with other partners, associates and legal assistants, as appropriate, under my supervision. We will work closely with you and your Embassy, the Department of Trade and Industry, and will cooperate with others you may designate.

Attached is the consultation agreement with Patton Boggs, L.L.P., provided by DTI, which I have duly executed on behalf of Patton Boggs, L.L.P. This agreement is effective from May 1, 1996 and extends for one year. Monthly compensation to Patton Boggs, L.L.P. will be $29,166.66 (including all professional fees, project related expenses and administrative costs, with the first and last monthly payments due at the beginning of the contract. These sums will be remitted by electronic bank wire to the favor of Patton Boggs, L.L.P.'s bank, Nation's Bank, 1801 K Street, N.W., Washington, D.C. 20037, ABA # 054001204, account number 1933061173.

If these terms and conditions are acceptable, I would appreciate your acknowledging acceptance of them by signing this letter and returning to me an executed and authenticated copy of the DTI consultation agreement. If you have any questions about these terms or would like to discuss them further, please call me as soon as possible.

We look forward to continue working with the Philippine government to achieve your trade and investment objectives.

Sincerely,

Philip S. Kaplan
for PATTON BOGGS, L.L.P.

AGREED TO AND ACCEPTED:

Antonio I. Basilio
Minister and Deputy Chief of Mission of the Republic of Philippines
for the Philippine Department of Trade and Industry

CONSULTANCY AGREEMENT

This Agreement signed and executed this 13th day of September, 1996, by and between:

DEPARTMENT OF TRADE AND INDUSTRY (DTI), Republic of the Philippines, with principal office at 361 Senator Gil Puyat Avenue, Makati, represented in this Agreement by Minister Antonio I. Basilio, Philippine Embassy, Washington, D.C.

and

PATTON BOGGS, LLP with principal address at 2550 M. Street, N.W. Washington, D.C., represented in this Agreement by Mr. Philip S. Kaplan.

WITNESSETH THAT

WHEREAS, DTI, has been mandated to create an environment conducive to sustainable industrial growth and to generate jobs in globally competitive industries;

WHEREAS, DTI, in order to attain its desired objective to spearhead its economic goals and targets, needs the services of Consultants in providing information and advise and in making representations on behalf of the DTI on matters relating to U.S. trade policies for the purpose of facilitating trade between the Philippines and the United States;

WHEREAS, CONSULTANTS, possess the technical knowledge and expertise in rendering desired services needed by DTI.

NOW, THEREFORE, for and in consideration of the foregoing premises and mutual covenants hereinafter contained, the parties hereto agree and stipulate that:

1. DTI engages the services of Patton Boggs, LLP (hereinafter referred to as Consultant) effective 01 May 1996 for an initial period of one year. Consultant may continue to represent business and financial clients in the Philippines but during his assignment shall not engage, directly or indirectly, in any other business or professional activities in its or another party's behalf contrary to the performance of his duties under this Agreement;

2. Consultant shall perform the Services under this Agreement in accordance with the Final Terms of Reference set forth in Annex A incorporating all revisions as agreed upon between contracting parties;

3. Consultant shall fulfill its obligations under this Agreement by using its specialized technical knowledge and in accordance to the best accepted professional standards;

4. Consultant shall exercise all reasonable skill, care and diligence in the discharge of the duties agreed to be performed and shall always work in the best interests of the Government;

5. Consultant shall keep accurate and systematic records and accounts in respect of the Services in such form and detail as is customary and sufficient to establish accurately that the cost and expenditures under this Agreement have been duly incurred;

6. Consultant shall permit the duly authorized representative of DTI from time to time to inspect its records and accounts as well as to audit the same;

7. Consultant shall not assign nor sub-contract any part of the services under this Agreement to any other person or firm, except with prior written approval of the DTI;

8. The approval by the DTI to the assignment of any part of said Services or to the engagement by the Consultant of Sub-Contractors to perform any part of the same shall not relieve the Consultant of any of its obligations under this Agreement;

9. Consultant shall not disclose, communicate, or make public to any person or entity any information relative to DTI and/or any of its clients disclosed to them for the purpose of the Services, nor shall the Consultant make public any information as to the recommendations formulated in the course of or as a result of the Services;

10. Expenses shall include but are limited to the following:

    a) Consultancy services fee;

    b) Cost of international communications incurred in for purposes of the Services such as postage, telex, cable, telephone, courier services, air freight of documents, etc.;

    c) Expenses not covered but which may be required by the Consultant for the successful and timely completion of the services, subject to prior authorization.

11. DTI shall pay the Consultant for his services inclusive of all expenses

allocated in item 10 which will be billed and paid in U.S. dollars at U.S.$29,167.00 per month, with the first and last payment due at the beginning of the Contract;

12. Consultant will submit periodic invoices for services rendered to the DTI with such supporting documents as may be reasonable, requested by the DTI. Said invoices shall be duly certified by the Consultant and shall contain a certificate to be executed by the authorized officer of DTI, certifying the terms of the Agreement;

13. Whereas, it shall be necessary for the purpose of this Agreement to compute one currency in terms of another, the conversion shall be made on the basis of official exchange rates at the time of each disbursement;

14. DTI shall assist the Consultant with respect to any necessary entry and exit visas, residence permits, exchange and other travel documents required for his/her stay in the Philippines;

15. DTI shall make available to the Consultant its personnel, office facilities, office data which may be required for the successful and timely completion of the services;

16. Nothing contained herein shall be construed as establishing or creating between the DTI and the Consultant, the relationship of employer and employee or principal and agent, it being understood that the position of the Consultant and anyone else performing the Services is that of an independent Contractor;

17. The Consultant holds the Government free from any and all liabilities, suits, actions, demand or damages arising from death or injuries to persons or properties, or any loss resulting from or caused by said personnel incident to or in connection with the services under this Agreement; The Consultant agrees to indemnify, protect and defend at its own expenses the DTI and its agents from and against all actions, claims and liabilities arising out of acts done by the Consultant in the performance of the Services including the use of any copyrighted materials, patented invention, article or appliances and conformance with registration requirements for foreign agents, if applicable;

18. The Consultant will conform to all applicable laws and will take prompt corrective actions with regards to any violations called to their attention;

19. Reports and all relevant data and other supporting records or materials compiled or prepared in the course of performances of the Services shall be the absolute properties of the DTI in accordance with the existing laws and

shall not be used by the Consultant for the purposes unrelated to this Agreement without the prior written approval of the DTI.

Corollarily, the DTI shall inform the Consultant of any use of subject documents other than those for which they were intended or prepared under this Agreement;

20. The DTI may at any time, by written notice to Consultant, and within the scope of this Agreement, issue additional instructions, require extra work or services, changes or alterations in the work, or correct the omissions of work of Services covered by this Agreement, Consultant shall make no additional changes, alterations and omissions except upon the handwritten approval of the DTI;

21. Both Parties may terminate this Agreement prior to the expiration of its terms by giving Consultant a written note and in case of such termination within ninety (90) days prior to termination. Consultant shall not be entitled to any compensation or damages other than Consultancy fee accruing up to the termination of this Agreement.

The foregoing shall be without prejudice to all other actions and remedies available to DTI in case of default or breach of this Agreement by Consultant;

22. This Agreement shall be in force as agreed upon in Annex A.

IN WITNESS WHEREOF, the Parties have hereunto set their hand in the date and place first above-written.

ANTONIO I. BASILIO
Minister and Deputy Chief of Mission
for the Department of Trade and Industry

PHILIP S. KAPLAN
for PATTON BOGGS, L.L.P.

(ANNEX A)

TERMS OF REFERENCE

PROJECT	:	CONSULTANCY SERVICES ON U.S. TRADE POLICIES
DURATION	:	ONE (1) YEAR
ACTIVITIES	:	

(1) To provide information and advise on matters relating to U.S. trade policies that may affect Philippine trade with the U.S., including but not limited to:

a) the U.S. Generalized System of Preferences;

b) the U.S. Textile and Apparel Quota including on rules of origin;

c) Section 301 and Special 301 issues;

d) U.S. positions in the World Trade Organization;

e) the North American Free Trade Agreement (NAFTA) and such other similar arrangements being contemplated including FTAA;

f) customs, health and other administrative regulations that impact on Philippine trade.

(2) To establish a relationship with the USTR, Department of State, Department of Commerce and with the U.S. Congress for purposes of monitoring developments and explaining Philippine positions;

(3) Arrange meetings for Philippines officials visiting the United States.

REPORTING AND SUPERVISION

(1) Consultant will work closely with the Philippine Embassy in Washington, D.C. and with Philippine officials in Manila, under the overall supervision of the Secretary of Trade and Industry or any official he may designate for this purpose;

(2) Consultant shall report on the performance of the service to be provided under this Agreement six months from the beginning of the contract and shall submit a final report upon the termination of this Agreement.

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2. Consultant shall perform the Services under this Agreement in accordance with the Final Terms of Reference set forth in Annex A incorporating all revisions as agreed upon between contracting parties;

3. Consultant shall fulfill its obligations under this Agreement by using its specialized technical knowledge and in accordance to the best accepted professional standards;

4. Consultant shall exercise all reasonable skill, care and diligence in the discharge of the duties agreed to be performed and shall always work in the best interests of the Government;

5. Consultant shall keep accurate and systematic records and accounts in respect of the Services in such form and detail as is customary and sufficient to establish accurately that the cost and expenditures under this Agreement have been duly incurred;

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17. The Consultant holds the Government free from any and all liabilities, suits, actions, demand or damages arising from death or injuries to persons or properties, or any loss resulting from or caused by said personnel incident to or in connection with the services under this Agreement; The Consultant agrees to indemnify, protect and defend at its own expenses the DTI and its agents from and against all actions, claims and liabilities arising out of acts done by the Consultant in the performance of the Services including the use of any copyrighted materials, patented invention, article or appliances and conformance with registration requirements for foreign agents, if applicable;

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22. This Agreement shall be in force as agreed upon in Annex A.

IN WITNESS WHEREOF, the Parties have hereunto set their hand in the date and place first above-written.

ANTONIO I. BASILIO
Minister and Deputy Chief of Mission
for the Department of Trade and Industry

PHILIP S. KAPLAN
for PATTON BOGGS, L.L.P.

(ANNEX A)

TERMS OF REFERENCE

PROJECT	:	CONSULTANCY SERVICES ON INVESTMENT PROMOTION
DURATION	:	ONE (1) YEAR
ACTIVITIES	:	

(1) To promote investments in the Philippines through direct contact with prospective investors, including but not limited to:

a) engineering companies capable of preparing feasibility studies, or raising significant capital in the investment and venture capital worlds, and of managing projects from start to finish;

b) investment banks, venture capital firms, pension and mutual funds and insurance companies;

c) small and medium size manufacturing and service companies.

(2) To establish a relationship with the EXIMBANK, OPIC, IFC and World Bank for purposes of creating a favorable climate for assisting U.S. private sector investments in the Philippines;

(3) Organize investment missions to the Philippines of U.S. public and private sector groups or individuals;

(4) Provide such materials as may be necessary to inform prospective investors of investment opportunities and conditions;

(5) Arrange meetings for Philippines officials visiting the United States.

EXPECTED RESULTS:

(1) Visit of prospective investors to the Philippines whether individually or as a group as a consequence of consultant's services;

(2) Actual investments;

(3) Database of contacts of investment prospects.

REPORTING AND SUPERVISION

(1) Consultant will work closely with the Philippine Embassy in Washington, D.C. and with Philippine officials in Manila, under the overall supervision of the Secretary of Trade and Industry or any official he may designate for this purpose;

(2) Consultant shall report on the performance of the service to be provided under this Agreement six months from the beginning of the contract and shall submit a final report upon the termination of this Agreement.