



Coconut Industry Investment Fund – Legaspi Oil Company, Inc.
4th Floor Palacio Del Gobernador, General Luna St., Intramuros Manila
REQUEST FOR QUOTATION

Date: September 17, 2025

RFQ No.: LEG-HO-SVP25-0041

PR No.: PURREQ-LEG-HO-584

Company/Business Name: _____

Address: _____

Business/Mayor's Permit No. : _____

TIN: _____

PhilGEPS Registration Number (required): _____

The Coconut Industry Investment Fund – Legaspi Oil Company, Inc. (LEGOIL), through its Bids and Awards Committee (BAC), intends to procure **Directors and Officers Liability Insurance (DOLI)** through **Section 34 Small Value Procurement** of the Implementing Rules and Regulations of Republic Act No. 12009.

Please quote your **best offer** for the item/s described herein, subject to the Terms and Conditions provided on this Request for Quotation (RFQ). Submit your **sealed quotation** duly signed by you or your duly authorized representative not later than the deadline on **September 22, 2025 at 1:30PM**.

The following documents are also required to be submitted along with your quotation on the specified deadline above:

Document	Remarks
Copy of 2025 Mayor's or Business Permit	Latest Business/Mayor's Permit issued by the city or municipality where the principal place of business of the bidder is located.
Copy of PhilGeps Registration	Valid PhilGEPS Registration Number/Organization ID/PhilGEPS Certificate of Registration (Platinum Membership) Valid PhilGEPS Registration Number/Organization ID (Red Membership)
BIR Registration Certificate	(BIR Form 2303)
Annual Income Tax Return stamped received by the BIR	For items more than Php 500,000
Notarized Omnibus Sworn Statement (GPPB-Prescribed Form)	For items more than Php 50,000.00

For any clarification, you may contact **Kirk Vincent Baldomero** email address at kbaldomero@ciif.ph.

ANGELITA G. RAPADA
Head, BAC Secretariat

INSTRUCTIONS:

Note: Failure to follow these instructions will disqualify your entire quotation.

1. Do not alter the contents of this form in any way.
2. The use of this RFQ is highly encouraged to minimize errors or omissions of the required mandatory provisions. In case of any changes, bidders must use or refer to the latest version of the RFQ, except when the latest version of the RFQ only pertains to deadline extension.
 - If another form is used other than the latest RFQ, the quotation shall contain all the mandatory requirements/provisions including manifestation on the agreement with the Terms and Conditions below.
 - In case a prospective supplier/service provider submits a filled-out RFQ with a supporting document (i.e., a price quotation in a different format), both documents shall be considered unless there will be discrepancies. In this case, provisions in the RFQ shall prevail.
3. All mandatory technical specifications must be complied with. Failure to comply with the mandatory requirements shall render the quotation ineligible/disqualified.
4. **Sealed Quotations must be submitted on or before 1:30PM of September 22, 2025 at 4th Floor Palacio Del Gobernador, General Luna St., Intramuros Manila.**
5. Quotations, including documentary requirements, received after the deadline shall not be accepted.

TERMS AND CONDITIONS:

1. Bidders shall provide the correct and accurate information required in this form.
2. Any interlineations, erasures, or overwriting shall be valid only if they are signed or initialed by you or any of your duly authorized representative/s.
3. Price quotation/s must be valid for a period of forty-five (45) calendar days from the deadline of submission.
4. Price quotation/s, to be denominated in Philippine peso, shall include all taxes, duties, and/or levies payable.
5. Quotations exceeding the Approved Budget for the Contract shall be rejected.
6. In case of two or more bidders are determined to have submitted the Lowest Calculated Quotation/Lowest Calculated and Responsive Quotation, the LEG OIL shall adopt and employ "draw lots" as the tie-breaking method to finally determine the single winning provider in accordance with GPPB Circular 06-2005.
7. The award of the contract shall be made to the lowest quotation which complies with the technical specifications, requirements, and other terms and conditions stated herein.
8. Payment shall be made upon confirmation of delivery and submission of the required supporting documents, i.e., Purchase Order and Billing statement, by the supplier, contractor, or consultant. Our Government Servicing Bank, i.e., the Land Bank of the Philippines, shall credit the amount due to the identified bank account of the supplier, contractor, or consultant not earlier than twenty-four (24) hours, but not later than forty-eight (48) hours, upon receipt of our advice. Please note that the corresponding bank transfer fee, if any, shall be chargeable to the account of the supplier, contractor, or consultant.
9. Liquidated damages equivalent to one-tenth of one percent (0.1%) of the value of the goods not delivered within the prescribed delivery period shall be imposed per day of delay. The LEG OIL may terminate the contract once the cumulative amount of liquidated damages reaches ten percent (10%) of the amount of the contract, without prejudice to other courses of action and remedies open to it.
10. Warranty Security may be required depending on the nature of the procurement project.

After having carefully read and accepted the **Instructions and Terms and Conditions**, I/we submit our quotation/s for the item/s as follows:

Detailed Technical Specifications

Directors and Officers Liability Insurance (DOLI)				
ITEM	SPECIFICATIONS/SCOPE OF WORKS	STATEMENT OF COMPLIANCE (State Comply or Not Comply)		BIDDER'S ACTUAL OFFER
1.	LIMIT OF INDEMNITY (See Annex A)			
2.	COVERED OFFICIALS (See Annex B)			
3.	COVERAGE (See Annex A)			
4.	EXTENSIONS (See Annex A)			
5.	SUPPLEMENTARY COVERAGE (See Annex A)			
6.	DEDUCTIBLE (See Annex A)			
7.	CLAIM NOTIFICATION (See Annex A)			
8.	PENALTY PROVISION (See Annex A)			
*Annex A – Detailed Technical Specifications				
**Annex B – List of Directors and Officers				

FINANCIAL OFFER:

Terms of Payment: Payment shall be made through Landbank within thirty (30) days after Submission of Billing and End-User's Acceptance of the product. A Bank Transfer fee shall be charged against the creditor's account.

Payment Details:

Banking Institution: _____

Account Number: _____

Account Name: _____

Branch: _____

Please quote your best offer for the item/s below. Please do not leave any blank items. Indicate **"0"** if the item being offered is free.

Directors and Officers Liability Insurance (DOLI)		
Approved Budget for the Contract: Php 606,382.49		
Quantity (A)	Offered Price per UOM (B)	TOTAL OFFERED QUOTATION (AxB)
1 LOT		In Words:

1 LOT		In Figure:

Position/Designation

Office Telephone/Fax/Mobile Nos.

Email address/es

TECHNICAL SPECIFICATIONS

Procurement Project	:	Directors and Officers Liability Insurance
INSURED	:	LEGASPI OIL COMPANY, INC.
LOCATION	:	4 th Floor Palacio Del Gobernador, General Luna St., Intramuros Manila
PERIOD OF INSURANCE	:	One year (1) From: October 01, 2025 to September 30, 2026 (both days inclusive)
LIMIT OF INDEMNITY	:	Minimum of Php200,000,000.00 any one claim and in the annual aggregate (inclusive of defense cost and legal expenses) for all insuring clauses, extensions and supplementary coverages (except limit protection)
COVERED OFFICIALS	:	List of Directors and Officers and their positions (as per list submitted)
RETROACTIVE/:	Pending & Prior Litigation	- All cases present at Policy Inception
CONTINUITY DATES	Pollution Claims	- All cases present at Policy Inception
APPROVED BUDGET	:	Php 606,382.49

COVERAGE : Section A – Directors and Officers Liability Insurance
Section B – Company Reimbursement

Section A - Directors and Officers

Applies when the claim is first made and reported to the Insurer during the period of Insurance or Discovery Period if applicable. The Insurer will pay to or on behalf of the Insured all loss resulting from a claim against any Director/s and/or Officer/s except for and to extent that the Insured Company has indemnified the Director/s and/or Officers.

- Loss and Defense Costs and Expenses arising from a Claim against any Director/s and/or Officer/s in their capacity as such
- Investigation Defense Costs and Expenses
- Criminal Defense Costs and Expenses
- Pollution Defense Costs and Expenses

- Extradition Proceedings Defense Costs and Expenses
- Asset and Liberty Proceedings Defense Costs and Expenses
- Public Relations Expenses

Except to the extent where Section B applies.

Section B - Company Reimbursement

Applies when the Claim is first made and reported to the Insurer during the Period of Insurance, or Discovery Period if applicable. The Insurer will pay to or on behalf of the San Pablo Manufacturing Corporation any loss that the Insured Company has paid to or is held liable to pay the Director/s and/or Officer/s by way of an advancement or indemnity in relation to the Director's and/or officer's liability/ies that would otherwise be covered by Section A

EXTENSIONS

- Automatic Acquisition Cover for New Subsidiaries – must be US listing, Non-FI / 50% Total Gross Asset Threshold
- Corporate Manslaughter shall include any violation or breach of an occupational health and safety law
- Discovery Period (extended Reporting Period)
 - 90 days free of charge
 - 1 year at 150% of the premium in the event the Policy holder declines to accept renewal terms & conditions offered by the Insurer
 - 1 year at 50% of the premium in the event the Insurer declines to offer renewal terms
- Emergency Costs – shall have a sub-limit of 10% of the limit of Indemnity
- Non-Executive Director's Reinstatement of Cover
 - Each non-executive director up to a limit of 10%, subject to an annual aggregate of 25% of the limit of Indemnity
- Retirement Run-off must be lifetime

SUPPLEMENTARY COVERAGE

- Entity Employment Practices Liability – shall have a sub-limit of **at least** Php 100,000,000.00 in the aggregate, further sub-limited to **at least** Php 50,000,000.00 in the aggregate for USA/Canada
- Regulatory Crisis Event Costs – shall have a sub-limit of **at least** Php 2,500,000.00 in the aggregate
- Investigation Costs for Derivate Demands – shall have a sub-limit of **at least** Php 5,000,000.00 in the aggregate
- Personal Tax Liability – shall have a sub-limit of **at least** Php 5,000,000.00 in the aggregate
- Excess Limit protection – shall have the following:
 - An Individual Excess Limit of **at least** Php 1,250,000.00 per Director and/or Officer
 - An aggregate Excess Limit of **at least** 25% of the Limit of Indemnity
- Advancement of Costs Cover
- Reinstatement of Limit due to recovery
- Prosecution Costs – shall have a sub-limit of **at least** Php 2,500,000.00 in the aggregate

- Deprivation of Assets Cover – shall have a sub-limit of **at least** Php 500,000.00 any one Director/Officer. **at least** Php 2,500,000 in the aggregate
- Court Attendance Costs – **at least** Php 10,000 per day per person, 10% of the Limit of Indemnity in the aggregate
- Defense Costs, Inclusive of Lawyer's Acceptance Fees

DEDUCTIBLE

- Insuring Clause
- Director and Officer – Nil
- Company Reimbursement
 1. For any US/Canada Claim; **Minimum of** Php 2,000,000.00 any one claim including any judgements; settlements or final agreements
 2. Rest of the World ; **Minimum of** Php 1,000,000.00 any one claim including any judgements, settlements, or final agreements
- Entity Employment Practices Liability
 1. **Minimum of** Php 2,000,000.00 any one claim including any judgements, settlements or final agreements
- Investigation Costs
 - For Any US/Canada Claim; **Minimum of** Php 2,000,000.00 any one claim including any judgements, settlements, or final agreements
 - Rest of the World; **Minimum of** Php 1,000,000.00 any one claim including any judgements, settlements, or final agreements
 - Only one deductible shall be applied for loss arising from any claim or claims alleging a single wrongful act

CLAIM NOTIFICATION

30 days from awareness of Notifiable Claim within the Policy Period or Discovery Period but not more than 30 days from expiry of the Policy Period or Discovery period

PENALTY PROVISION

If the treaty renewal slip/s was/were not submitted within thirty (30) calendar days after expiry, the Winning Bidder shall pay the penalty of one tenth (1/10) of one (1) percent of the Retained Portion of the Contract Price for every day of delay.

DIRECTORS AND OFFICERS LIABILITY INSURANCE

In consideration of the payment of the premium, the Insurer agrees as follows:

1. INSURANCE COVER

A. DIRECTORS AND OFFICERS LIABILITY

The Insurer shall pay the loss of each insured resulting from any claim first made against the Insured during the policy period for any act/s covered in the Insured's capacity as a director or officer of the agency except for and to the extent that the agency has indemnified the Insured.

The Insurer shall also pay the loss of each Insured resulting from the acts or omissions of covered Director or Officer of the Policyholder in their capacity as representatives of the Policyholder in the Governing Board of its Subsidiary or Affiliate; provided that, these Directors or Officers were appointed or designated as representatives of the Policyholder by virtue of their positions with the Policyholder.

On the other hand, in case of private corporations in which the Policyholder has equity shares to qualify a representative in the Board but is not majority (51%), any Director or Officer of the Policyholder who is nominated to and becomes a Director or Officer of such private corporation acts as Policyholder's representative and therefore, covered under this Policy.

The Insurer shall hold safe and harmless any insured who is sued, made party to or otherwise involved in any action, suit or proceeding filed against the Insured by reason of his /her being a director/officer of the agency, to the extent that the Insured is sued for acts committed while in the performance of his/her official functions, duties and responsibilities as such director/officer, Provided, the Insured charged or sued must be exonerated, acquitted or held not liable. However, even if the Insured is found liable for the act charged or complained of, there must be a finding that he/she has acted in utmost good faith, within the scope of his/her official functions and duties, and has exercised extraordinary diligence.

B. CORPORATE REIMBURSEMENT

The Insurer shall pay the loss of the agency resulting from any claim first made against the Insured during the policy period for any act/s covered in the Insured's capacity as a director or officer but only when and to the extent that the agency has indemnified the Insured for the loss.

Subject to the terms and conditions of this Policy, the Insurer may advance defense costs to the director or officer or agency resulting from any claim before its final resolution, subject to the deductible stated in Item 8 of the Schedule, whenever applicable.

Should there be a finding that the act done does not fall within the meaning of act/s covered as defined in 2.17 of this Policy, the amounts advanced by the Insurer shall be considered a loan by the director or officer or agency which shall become immediately due and payable to the Insurer upon finality of the judgment against the Insured.

2. DEFINITIONS

2.1 Agency means the policy holder specified in Item 1 of the Schedule

2.2 Claim(s) means:

- (i) Any suit or proceeding brought by any person or organization against an insured for monetary damages or other relief, including non-pecuniary relief;
- (ii) Any written demand from any person or organization to hold an insured responsible for the results of any act/s covered;
- (iii) Any administrative or regulatory proceeding or official investigation regarding any act/s covered of an insured.

Claims arising out of, based upon or attributable to a single act covered shall be considered to be a single claim for the purposes of this Policy.

2.3 Continuity date(s) means the date(s) specified in Item 7 of the Schedule. The pending and prior litigation continuity date shall be the date from which the policyholder has maintained uninterrupted cover with the Insurer, or with any other Insurer if the initial proposal form submitted to such Insurer is provided to and accepted by the Insurer at the inception of this Policy, or such other dates(s) as agreed with the Insurer.

2.4 Defense costs means reasonable and necessary fees, including special assessment fees charged by the Office of the Government Corporate Counsel, costs and expenses incurred with the written consent of the Insurer resulting solely from the investigation, adjustment, defense and appeal of any claim but shall not include the salary of any insured and success fees.

2.5 Director or officer means any natural person duly appointed or elected as a director or officer of the agency, pursuant to applicable laws.

2.6 Discovery period means the period of time specified in Extension 4.1, immediately following the termination of this Policy during which written notice may be given to the Insurer of any claims first made against the Insured during such period of time for any act/s covered occurring prior to the end of the policy period and otherwise covered by this Policy.

2.7 Employment practice claim means any claim or series of related claims relating to a past, present or prospective employee of the agency and arising out of any actual or alleged dismissal, discharge or termination, either actual or constructive, of employment, failure

to employ or promote, deprivation of career opportunities, discipline; failure to grant tenure or negligent employee evaluation; or workplace or racial or disability harassment of any kind (including the alleged creation of a harassing workplace environment); or unlawful discrimination, whether direct, indirect, intentional or unintentional, or failure to provide adequate employee policies and procedures.

- 2.8 Full annual premium means the annual premium level in effect immediately prior to the end of the policy period.
- 2.9 Insured means any natural person who was, is, or shall become a director or officer of the agency, or any natural person who is a trustee of a pension, retirement or provident benefit fund established for the benefit of the employees of the agency. Cover will automatically apply to any natural person who becomes a director or officer of the agency after the inception date of this Policy. Insured shall include any employee of the agency, but only for a claim or claims alleging act/s covered, committed by the employee in a managerial or supervisory or confidential capacity, occupying positions, as listed by the agency in Item 6.a. With respect to an employment practice claim only, Insured shall include any past, present or future employee of the agency.
- 2.10 Insurer means the **WINNING BIDDER**.
- 2.11 Loss means damages, judgments, settlements and defense costs; however, loss shall not include civil or criminal fines or penalties imposed by law, non- compensatory damages, taxes, any amount for which the Insured is not legally liable or matters which may be considered uninsurable under the law pursuant to which this Policy shall be construed. Damages, judgments, settlements and defense costs incurred in more than one claim against the Insured but resulting from a single act covered shall constitute a single loss.
- 2.12 Policyholder means the agency specified in Item 1 of the Technical Specifications.
- 2.13 Policy Period means the period of time from the inception date to the expiry date specified in Item 3 of the Technical Specifications.
- 2.14 Pollutants include (but are not limited to) any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes (but is not limited to) material to be recycled, reconditioned or reclaimed.
- 2.15 Single act covered means act/s covered or any related, continuous or repeated act/s covered, whether committed by the Insured individually or by more than one insured and whether directed to or affecting one or more than one person or legal entity.
- 2.16 Transaction means that the policyholder consolidates with or merges into any other entity.
- 2.17 Act/s Covered means any act or omission committed in good faith by the Insured in their respective capacities as director or officer of the agency or any matter claimed against them solely because of their status as a director or officer of the agency, which gives rise

to a cause of action against the Insured or the agency in any court, tribunal (regular/ad hoc arbitral) or administrative agency exercising quasi-judicial functions.

3. EXCLUSIONS

The Insurer shall not be liable to make any payment for loss in connection with any claim made against the Insured:

- (i) Where the court or tribunal or administrative agency finds that there was malfeasance, misfeasance, nonfeasance, negligence or bad faith, illegal, dishonest, fraudulent, unethical conduct or any other act that constitutes a breach of duty as fiduciary of the State, involved in the conduct of his/her office on the part of the Insured concerned.
- (ii) Where the transaction involved is purely private and unconnected with the office of the Insured.

The Insurer shall not be liable to make any payment for loss in connection with any claim made against the Insured:

3.1 arising out of, based upon or attributable to:

- (i) the gaining in fact of any personal profit or advantage to which the Insured was not legally entitled;
- (ii) the committing in fact of any dishonest or fraudulent act.

For the purpose of determining the applicability of these exclusions, the act/s covered of any insured shall not be imputed to any other insured. These exclusions shall only apply if it is established through a judgment, or any other final adjudication adverse to the Insured, or any admission by an insured that the relevant conduct did in fact occur;

3.2 arising out of, based upon or attributable to the facts alleged or to the same or related act/s covered alleged or contained in any claim which has been reported or in any circumstances of which notice has been given under any policy of which this Policy is a renewal or replacement or which it may succeed in time;

3.3 arising out of, based upon or attributable to any pending or prior litigation as of the pending and prior litigation continuity date specified in Item 7 of the Schedule, or alleging or deriving from the same or essentially the same facts as alleged in the pending or prior litigation;

3.4 which are brought by or on behalf of any insured or the agency; provided, however, that this exclusion shall not apply to:

- (i) any employment practice claim brought by any insured;
- (ii) any claim brought or maintained by an insured for contribution or indemnity, if the claim directly results from another claim otherwise covered under this Policy;
- (iii) any claim brought or maintained by any former director, officer or employee of the agency.

- 3.5 arising out of, based upon or attributable to or in any way involving, directly or indirectly, the actual, alleged or threatened discharge, dispersal, release or escape of pollutants; or any direction or request to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize pollutants, nuclear material or nuclear waste.

Provided, however, that this exclusion shall not apply to any claim made against the Insured by any stakeholder of the agency either directly or derivatively, alleging damage to the agency or its stakeholders, unless on or before the pollution continuity date specified in Item 7 of the Schedule, the agency, the Insured or any employee of the agency with managerial responsibilities over environmental affairs, control or compliance, knew or could have reasonably foreseen that there existed any situation, circumstances or condition which could have given rise to a claim against the agency, or the Insured.

This exclusion is subject to Extension 4.4, unless on or before the pollution continuity date specified in Item 7 of the Schedule, the agency, the Insured or any employee of the agency with managerial responsibilities over environmental affairs, control or compliance, knew or could have reasonably foreseen that there existed any situation, circumstance or condition which could have given rise to a claim against the agency, or the Insured.

- 3.6 arising out, based upon or attributable to any act or omission in the Insured's capacity as a director or officer of any entity other than the agency, or by reason of the Insured's status as a director, officer or employee of the other entity;
- 3.7 for bodily injury, sickness, disease, death or emotional distress of any person, or damage to or destruction of any tangible property, including loss of use thereof; provided, however, that any claim for emotional distress shall not be excluded with respect to an employment practice claim.

4. EXTENSIONS

Subject to all of the terms and conditions of this Policy, cover is extended as follows:

4.1 Discovery Period

If the Insurer refuses to offer any terms or conditions to renew this Policy, or the policyholder refuses to renew this Policy, then the policyholder shall have the right to a discovery period of 12 months following the effective date of non-renewal:

- (i) provided the agency cannot renew or replace this Policy with or does not purchase, effect or otherwise acquire, any other policy affording directors and officers liability or similar liability cover; and
- (ii) upon payment of an additional premium of 100% of the full annual premium.

If a transaction takes place, then the agency shall not have the right to a discovery period as set out above. However, the agency shall have the right within 60 days of the end of the policy period to request an offer from the Insurer

of a discovery period of up to 12 months. The Insurer shall offer a discovery period with terms, conditions and premium as the Insurer may reasonably decide.

No discovery period of any length is available in the event of this Policy being cancelled due to the non-payment of premium.

4.2 Heirs, Estates and Legal Representatives

If an Insured dies, becomes incompetent, insolvent or bankrupt, this Policy shall cover loss arising from any claim made against the estate, heirs, or legal representatives of the Insured for any act/s covered of such insured.

4.3 Joint Property Liability

This Policy shall cover loss arising from any claim made against the lawful spouse (whether that status is derived by reason of the statutory law, common law or otherwise of any applicable jurisdiction in the world) of an insured for any claim arising out of his or her status as the spouse of an insured including any claim that seeks damages recoverable from marital community property or property jointly held by the Insured and the spouse; provided, however, that this extension shall not afford cover for any claim for any act/s covered of the spouse and that this Policy shall apply only to act/s covered of an insured.

4.4 Pollution Legal Costs

Notwithstanding Exclusion 3.5, the Insurer will pay on behalf of an insured any defense costs incurred in defending a claim by reason of any act/s covered resulting in loss arising out of the discharge, dispersal, release or escape of pollutants. However, the total of all payments under this extension shall not exceed Philippine Peso 10,000,000.00 or the limit of liability whichever is lower

5. GENERAL PROVISIONS

5.1 Representation

In granting cover to any one insured, the Insurer has relied upon the proposal form, and all statements and particulars therein or incorporated therein, together with any attachment, the agency's financial statements and other information supplied or requested (if, this Policy is a renewal of a previous policy/ies issued by the Insurer, then, regarding this Policy, the Insurer is also relying upon all applications, attachments, etc. for such previous policy/ies issued by the Insurer). These statements, particulars, attachments and information are the bases of cover and shall be considered incorporated into and constituting part of this Policy.

Notwithstanding any provision to the contrary, the Insurer shall consider the signatory in the proposal form as the agency's authorized signatory and shall bind the agency represented under this Policy.

5.2 Changes in Risk During Policy Period

If during the policy period, a Transaction takes place, then the cover provided under this Policy is amended to apply only to act/s covered committed prior to the effective date of the Transaction.

5.3 Limit of Liability

The limit of liability specified in Item 5 of the Schedule is the total aggregate limit of the Insurer's liability for all losses, arising out of all claims made against all insureds under all insurance covers under this Policy combined. The limit of liability for the discovery period shall be part of and not in addition to the total aggregate limit of liability for the policy period. Loss arising from any claim which is made subsequent to the policy period or discovery period which pursuant to General Provision 5.5 is considered made during the policy period or discovery period shall also be subject to the same total aggregate limit of liability. Defense costs are not payable by the Insurer in addition to the total aggregate limit of liability for loss.

5.4 Retention

The Insurer shall only be liable for the amount of loss arising from a claim which is in excess of the retention amount/deductible specified in Item 8 of the Schedule with regard to all losses under the company reimbursement cover as mentioned in Section 1(b) of this Policy for which the agency has indemnified or is permitted or required to indemnify the Insured. It is agreed that the agency will be conclusively deemed to have indemnified the Insured under Section 1(b) of this Policy to the maximum extent that the agency is permitted or required to grant such indemnification pursuant to law or contract, or by the Charter or By- laws or the Articles of Incorporation of the agency.

The retention amount/deductible to be borne by the agency and shall remain uninsured. A single retention amount shall apply to loss arising from all claims alleging a single act covered.

How to Give Notice and Report a Claim

- (i) Notice of a claim or of circumstances which may result in a claim shall be given in writing to the head office of the Insurer as shown on the declaration page. If posted, the date of posting shall constitute the date that the notice was given, and proof of posting shall be sufficient proof of notice.
 - (ii) The agency or the Insured shall, as a condition precedent to the obligation of the Insurer under this Policy, give written notice to the Insurer of any claim made against an insured as soon as practicable and either:
 - a. any time during the policy period or during the discovery period; or
 - b. within 30 days after the end of the policy period or the discovery period, as long as such claim(s) is reported no later than 30 days after the date such claim was first made against an insured.
1. If, during the policy period or during the discovery period written notice of a claim against an insured has been given to the Insurer pursuant to the terms and conditions of this Policy, then any claim arising out of, based upon or attributable to the facts alleged in the claim previously notified to the Insurer or alleging a single act covered, which is the same as or related to any act/s covered alleged in the previously notified claim, shall be considered made against the Insured and reported to the Insurer at the time the first notice was given.

2. If during the policy period or during the discovery period, the agency or the Insured shall become aware of any circumstances which may reasonably be expected to give rise to a claim being made against an insured and shall give written notice to the Insurer of the circumstances and the reason for anticipating a claim, with full particulars as to dates and persons involved, then any claim which is subsequently made against an insured and reported to the Insurer arising out of, based upon or attributable to the circumstances or alleging any act/s covered which is the same as or related to any act/s covered alleged or contained in those circumstances, shall be considered made against the Insured and reported to the Insurer at the time the notice of the circumstances was first given.

5.5 Advancement of Costs

The Insurer shall advance to the Insured or the agency defense costs under all insurance covers under this Policy before the final disposition of the claim. Advances to the agency shall be subject to the deductible as stated in Item 8, whenever applicable. The advanced payments by the Insurer shall be repaid in full to the Insurer by the Insured or the agency, in the event and to the extent that the Insured or the agency shall not be entitled to payment of the loss under the terms and conditions of this Policy.

5.6 How Defense Will Be Conducted

The Insured shall have the right and duty to defend and contest any claim. The Insurer shall have the right to effectively associate with the Insured and the agency in the defense and settlement of any claim that appears reasonably likely to involve the Insurer, including but not limited to effectively associating in the negotiation of any settlement.

The Insured shall not admit or assume any liability, enter into any settlement agreement, stipulate to any judgment or incur any defense costs without the prior written consent of the Insurer as a condition precedent to the Insurer's liability for loss arising out of the claim. Only those settlements, stipulated judgment and defense costs which have been consented to by the Insurer shall be recoverable as loss under the terms of this Policy. The Insurer's consent shall not be unreasonably withheld, provided that the Insurer shall be entitled to effectively associate in the defense and the negotiation of any settlement of any claim in order to reach a decision as to reasonableness.

The Insurer may make any settlement of any claim it deems expedient with respect to any insured subject to such Insured's written consent. If any insured withholds consent to such settlement, the Insurer's liability for all losses on account of such claim shall not exceed the amount for which the Insurer could have settled such claim plus defense costs incurred as of the date such settlement was proposed in writing by the Insurer.

The agency and the Insured shall give the Insurer full co-operation and all information as it may reasonably require as a condition precedent to the Insurer's liability for loss arising out of the claim. In the event that a dispute arises between the Insurer and the Insured regarding whether or not to contest any legal proceedings, neither the Insured nor the agency shall be required to contest any legal proceedings unless a Government Corporate Counsel or equivalent (to be mutually agreed by the policyholder and the Insurer) shall advise that the proceedings should be contested. The cost of the Government Corporate Counsel shall be borne by the Insurer.

5.7 Allocation

- (i) The Insurer has no obligation under this Policy for defense costs incurred by the agency, or any judgment rendered against or settlements by the agency, or any obligation to pay loss arising out of any legal liability that the agency has to the third-party claimant. Accordingly, with respect to:
 - a. defense costs jointly incurred by;
 - b. any joint settlement made by; and/or
 - c. any adjudicated judgment of joint and several liability rendered against the agency and any insured, the agency, the Insured and the Insurer agree to use their best efforts to determine a fair and proper allocation of the amounts as between the agency and the Insured and the Insurer, taking into account the relative legal and financial exposures of and the relative benefits obtained by the Insured and the agency.
- (ii) In the event that a determination as to the amount of defense costs to be advanced to the agency under this Policy cannot be agreed to, then the Insurer shall advance defense costs which the Insurer states to be fair and proper until a different amount shall be agreed upon or determined pursuant to the provisions of this Policy and applicable law.

5.8 Subrogation

In the event of any payment under this Policy, the Insurer shall be subrogated to the extent of such payment to all of the agency's and the Insured's rights of recovery in respect of the payment, and the agency and the Insured shall execute all papers required and shall do everything that may be necessary to secure any rights including the execution of any documents necessary to enable the Insurer effectively to bring suit in the name of the agency and/or Insured.

5.9 Other Insurance

Unless otherwise required by law, any insurance as is provided under this Policy shall apply only as excess over any other valid and collectible insurance.

5.10 Notice and Authority

It is agreed that the agency shall act on behalf of all Insured's with respect to the giving and receiving of notice under this Policy, including the giving of notice of claim, the payment of premiums that may become due under this Policy, the receipt and acceptance of any endorsements issued to form a part of this Policy and the exercising or declining to exercise any right to a discovery period.

5.11 Assignment

This Policy and any rights hereunder cannot be assigned without the written consent of the Insurer.

5.12 Jurisdiction and Governing Law

Any interpretation of this Policy relating to its construction, validity or operation shall be made in accordance with the laws of the Philippines. The parties agree to submit to the exclusive jurisdiction of the court of general jurisdiction in the Philippines.

5.13 Plurals and Titles

The titles of these paragraphs are for convenience only and do not lend any meaning to this contract. In this Policy words in italics have special meaning and are defined.

5.14 Terms of Policy Conformed to Ordinances

Terms of this Policy which are in conflict with the statutes of the Philippines are hereby amended to conform to such statutes or ordinances.

Any provisions of this Policy which is prohibited or unenforceable shall be ineffective to the extent of such prohibition or unenforceability, but that shall not invalidate the remaining provisions of this Policy.

The Insurer shall not avoid this Policy by reason only that it may be so entitled by virtue of any statute or rule of law that makes or deems void

any provision or contract to indemnify or make payment to any insured of the agency against liability for any act/s covered.

5.15 Data Privacy

It is hereby declared that as a condition precedent to the liability of the Insurer, the Insured has agreed that any personal information collected or held by the Insurer is provided and may be held, used and disclosed by the Insured to individual/organizations associated with the Insurer or any selected third party (within or outside the country where the Insured is domiciled) for the purposes of processing the application and providing subsequent services to the Insured for such purposes. The Insured has the right to obtain access to and to request correction of any personal information held by the Insurer concerning the Insured.

5.16 Renewal Clause

Unless the Insurer at least forty-five (45) days in advance of the end of the policy period mails or delivers to the named Insured at the address shown in the Policy notice of its intention not to renew the Policy or to condition its renewal upon reduction of its limits or elimination of coverage, the named Insured shall be entitled to renew the Policy upon payment of the premium due on the effective date of the renewal. Any policy written for a term of less than one year shall be considered as if written for a term of one year. Any policy written for a term longer than one year or any policy with no fixed expiration date shall be considered as if written for successive policy periods or terms of one year.

5.17 Cancellation

This Policy shall not be cancelled by the Insurer except upon prior notice thereof to the Insured, and no notice of cancellation shall be effective unless it is based on the occurrence, after effective date of the Policy, of one or more of the following:

- (i) non-payment of premium;

- (ii) conviction of a crime arising out of acts increasing the hazard insured against;
- (iii) discovery of fraud or material misrepresentation;
- (iv) discovery of willful or reckless acts or omissions increasing the hazard insured against;
- (v) a determination by the Insurance Commissioner that the continuation of the Policy would violate or would place the Insurer in violation of the Insurance Code.

All notices of cancellation shall be in writing, mailed or delivered to the Insured at the address shown in the Policy, and shall state (a) which of the grounds set forth in this provision is relied upon and (b) that, upon written request of the Insured, the Insurer will furnish the facts on which the cancellation is based.

If the Insured cancels this Policy, which must be in writing, earned premium shall be computed in accordance with the applicable percentage indicated under the following Short Rate Cancellation Table.

5 days or less	- 6%	Up to 4 months	-	50%
Up to 10 days	- 10%	Up to 5 months	-	60%
Up to 15 days	- 13%	Up to 6 months	-	70%
Up to 20 days	- 17%	Up to 7 months	-	75%
Up to 1 month	- 20%	Up to 8 months	-	80%
Up to 2 months	- 30%	Up to 9 months	-	90%
Up to 3 months	- 40%	above 9 months	-	The annual rate

Delivery of such written notice either by the Insured or by the Insurer shall be equivalent to mailing. If the Insurer cancels, earned premium shall be computed pro-rata. Premium adjustment may be made at the time cancellation is effected and, if not then made, shall be made as soon as practicable after cancellation becomes effective. The Insurer's check or the check of its representative mailed or delivered as aforesaid shall be a sufficient tender of any refund of premium due to the Insured. Reinstatement, if granted by the Insurer after cancellation, shall be in writing.

5.18 Arbitration Clause

All differences as to amount of any loss covered by this Policy shall be referred to the decision of an arbitrator to be appointed by the parties in difference or if they cannot agree upon a single arbitrator, to the decision of two arbitrators, one to be appointed in writing by each of the parties within thirty (30) days after having been required in writing to do so by either of the parties or in case of disagreement between the arbitrators, to the decision of an umpire to be appointed in writing by the arbitrators, before entering on the reference, and an

award by the arbitrator or arbitrators or umpire shall be a condition precedent to any right of action against the Insurer only in cases of differences as to the amount of liability arising out of this Policy.

5.19 Action Against Insurer

If a claim be made and rejected and an action or suit be not commenced either in the Insurance Commission or any court of competent jurisdiction within twelve (12) months from receipt of notice of such rejection or in case of an arbitration taking place as provided herein, within twelve (12) months after due notice of the award made by the arbitrator or arbitrators or umpire, then the claim shall for all purposes be deemed to have been abandoned and shall not thereafter be recoverable hereunder.

WARRANTIES, CLAUSES AND ENDORSEMENTS:

Code of Corporate Governance Endorsement

Money Laundering Exclusion

Claims Cooperation Endorsement

Payment and Gratuities Exclusion

War/Act of War Exclusion

Investment Banking Professional Liability Exclusion

Financial Institution Professional Indemnity Exclusion

Failure to Maintain Insurance Exclusion

Known Claims and Circumstances Exclusion

Communicable Disease Exclusion Clause (LMA 5396)

Premium Payment Warranty

Provision on SPMC Applicable Taxes and Documentary Stamp Tax

Provision on Non-issuance of Provisional Receipt

Provision for Filing Notice of Loss

Provision on the Submission of Supporting Documents for Non-Motor Vehicle Claims

Special Extension Clause

CODE OF CORPORATE GOVERNANCE ENDORSEMENT

In order to clarify the covered acts in this Policy, Sec. 32 of the Code of Corporate Governance for GOCCs shall form part of this Policy, quoted as follows:

“Sec. 32. Obtaining of Directors and Officers Liability Insurance (DOLI) – Having imposed the highest level of responsibility and accountability on the members of the Board and Officers, i.e., that of extraordinary diligence, it is equitable that when the GOCC itself and/or the members of the Board and Management are hailed before the tribunals on matters that are within the official functions and capacity and on matters where business judgment has been exercised in good faith, that there be proper recovery of the costs of litigation and the judgment liability imposed. It is prudent measure therefore for every GOCC to obtain “Directors and Officers Liability Insurance” (DOLI) coverage for itself and the members of the Governing Board and Officers against contingent claims and liabilities that may arise from, as well as the expenses that may be incurred in prosecuting, the actions that may be filed against the GOCC arising from the actions of the Governing Board and/or Management that may cause loss or damage to third parties.

Nothing in this section shall be construed as to authorize the reimbursement or the incurring of costs, such as the payment of premiums on DOLI coverage, by the GOCC on the litigation expenses incurred and the judgment liability decreed against a Director or Officer for breach of any of his fiduciary duties or for fraud committed in the performance of his or her duties to the GOCC and/or its stakeholders.”

MONEY LAUNDERING EXCLUSION

It is hereby understood and agreed that the Insurer shall not be liable to make any payment in connection with any claim arising out of, based upon or attributable to, or in any way involving any actual or alleged act of Money Laundering.

The burden of proving that any claim does not fall within this Money Laundering Exclusion shall be upon the Insured.

Solely for the purposes of this Exclusion, the following Definition applies:

“Money Laundering” means the actual or attempted conspiracy to commit or commission, aiding, abetting, counseling, procuring, or inciting of any act which is in breach of and/or constitute an offence or offences under the Anti-Money Laundering Act of 2001 and any amendment thereto.

Subject otherwise to the terms, exclusions and conditions of the Policy.

CLAIMS COOPERATION ENDORSEMENT

Notwithstanding anything contained in the Insurance Agreement and/or Policy Wording to the contrary, it is a condition of any liability under this Policy that:

- a) The Insured shall, upon knowledge of any circumstances which may give rise to a claim against them, advise the Insurers within a reasonable period of time.

- b) The Insured shall co-operate with Insurers and/or their Appointed Representatives subscribing to this Policy in the investigation and assessment of any loss and/or circumstances giving rise to a loss.
- c) No settlement and/or compromise shall be made and no liability admitted without the prior approval of the Insurer.

All other terms and conditions remain the same.

PAYMENT AND GRATUITIES EXCLUSION

It is hereby understood and agreed that the Insurer shall not be liable to make any payment for loss in connection with any claim made against the Insured directly or indirectly arising out of, based upon or attributable to, or in any way involving:

- (i) payments, commissions, gratuities, benefits or any other favors to or for the benefit of any full or part-time domestic or foreign governmental or armed services officials, agents, representatives, employees or any members of their family or any entity with which they are affiliated; or
- (ii) payments, commissions, gratuities, benefits or any other favors to or for the benefit of any full or part-time officials, directors, agents, partners, representatives, principal shareholder, or owners or employees, or affiliates of any customers of the agency or any members of their family or any entity with which they are affiliated; or
- (iii) political contributions, whether domestic or foreign.

Subject otherwise to the terms, exclusions and conditions of this Policy.

WAR / ACT OF WAR EXCLUSION

It is hereby understood and agreed that this Policy does not cover any loss in connection with any claim made against the Insured arising out of, in whole or in part, directly or indirectly or resulting from or by:

- (i) war, any act of war, civil war, invasion, insurrection, revolution, use of military power or usurpation of government or military power; or
- (ii) the intentional use of military force to intercept, prevent, or mitigate any known or suspected terrorist act; or
- (iii) any terrorist acts.

It is further agreed that the terms war and terrorist acts are respectively defined as follows:

- (i) War shall mean war, whether declared or not, or any warlike activities including use of military force by any sovereign nation to achieve economic, geographic, nationalistic, political, racial, religious or other ends;
- (ii) Terrorist act(s) shall mean any actual or threatened use of force or violence directed at or causing damage, injury, harm or disruption, or commission of an act of force or violence dangerous to human life or property, against any individual, property or government, with the stated or unstated objective of pursuing economic, ethnic, nationalistic, political, racial or religious interests, whether such interests are declared or not. Thefts or other criminal acts, primarily committed for personal gain and acts arising primarily from prior personal relationship between perpetrator(s) and victim(s) shall not be considered terrorist acts.

A terrorist act shall also include any act which is verified or recognized by the Philippine Government, or the Government of the country in which the claim is made against the Insured, as an act of terrorism.

Subject otherwise to all of the terms, conditions and exclusions of this Policy.

INVESTMENT BANKING PROFESSIONAL LIABILITY EXCLUSION

It is hereby understood and agreed that the Insurer shall not be liable to make any payment for loss in connection with any claim made against the Insured alleging, arising out of, based upon or attributable to, in whole or in part, any Investment Banking Activity, including but not limited to any disclosure requirements in connection with the foregoing. "Investment Banking Activity" means, but is not limited to, the underwriting, syndicating or promotion of any security or partnership interest in connection with any of the following: any actual, alleged or threatened merger, acquisition, divestiture, tender offer, proxy contest, leveraged buy-out, going private transaction, reorganization (voluntary or involuntary), capital restructuring, recapitalization, spin-offs, primary or secondary offerings of securities (regardless of whether the offering is a public offering or private placement), dissolution or sale of all or substantially all of the assets or stock of a business entity, or effort to raise or furnish capital or financing for any enterprise or entity, or any acquisition or sale of securities by the Broker/Dealer for its own

account, or any activity by an insured as a specialist or market maker (including the failure to make a market) for any securities, or any disclosure requirements in connection with any of the foregoing. Investment Banking also includes the rendering of advice or recommendation or the rendering of a written opinion in connection with any of the foregoing.

Subject otherwise to the terms, exclusions and conditions of this Policy.

FINANCIAL INSTITUTION PROFESSIONAL INDEMNITY EXCLUSION

It is hereby understood and agreed that the Insurer shall not be liable to make any payments for loss in connection with any claim made against the Insured, alleging, arising out of, based upon or attributable to the agency's, or an Insured's performance of professional services for others for a fee, or any alleged act, error or

omission relating thereto, including but not limited to, services rendered in the following areas: broker, dealer, financial advisor, investment advisor, investment banker, investment manager, clearing agent, insurance broker, real estate syndicator; or services rendered in the agency's Trust Department or as a trustee or other fiduciary or agent for individuals, partnerships, corporations or government bodies; or any function similar to those mentioned above; or any other professional services.

Subject otherwise to the terms, exclusions and conditions of this Policy.

FAILURE TO MAINTAIN INSURANCE EXCLUSION

It is hereby understood and agreed that the Insurer shall not be liable to make any payments for loss in connection with any claim alleging, arising out of, based upon or attributable to any failure or omission on the part of the Insured or the agency to effect and maintain insurance or adequate insurance.

Subject otherwise to the terms, exclusions and conditions of this Policy.

KNOWN CLAIMS AND CIRCUMSTANCES EXCLUSION

It is hereby understood and agreed that this Policy does not provide any indemnity against any claim or claims:

- (i) Made or threatened or in any way intimated on or before the inception of the Policy
- (ii) For pending or prior litigation, disputes or any development therefrom with respect to any act/s covered committed by any director or officer in his/her capacity as such whether or not disclosed in the proposal or application form

COMMUNICABLE DISEASE EXCLUSION CLAUSE (LMA 5396)

1. Notwithstanding any provision to the contrary within this policy, this policy does not cover all actual or alleged loss, liability, damage, compensation, injury, sickness, disease, death, medical payment, defence cost, cost, expense or any other amount, directly or indirectly and regardless of any other cause contributing concurrently or in any sequence, originating from, caused by, arising out of, contributed to by, resulting from, or otherwise in connection with a Communicable Disease or the fear or threat (whether actual or perceived) of a Communicable Disease.
2. For the purposes of this endorsement, loss, liability, damage, compensation, injury, sickness, disease, death, medical payment, defence cost, cost, expense or any other amount, includes, but is not limited to, any cost to clean-up, detoxify, remove, monitor or test for a Communicable Disease.
3. As used herein, a Communicable Disease means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:

- 3.1. the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not, and
- 3.2. the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms, and
- 3.3. the disease, substance or agent can cause or threaten bodily injury, illness, emotional distress, damage to human health, human welfare or property damage.

PREMIUM PAYMENT WARRANTY

The total amount reflected in the bill is due and payable within sixty (60) days from receipt of the bill.

In case of claim arising in this policy, the said amount becomes immediately due and demandable.

PROVISION ON SPMC APPLICABLE TAXES & DOCUMENTARY STAMP TAX

It is understood that all applicable taxes, including Documentary Stamp Tax (DST), if any shall be borne by the Insured.

PROVISION ON NON-ISSUANCE OF PROVISIONAL RECEIPT

SPMC does not issue a provisional receipt as proof of premium payment for all insurance policies issued. An official receipt shall be issued upon payment by the Insured.

PROVISIONS FOR FILING NOTICE OF LOSS

The Insured under the Policy is required to file a Notice of Loss to the insurance company, without unnecessary delay, that is, within sixty (60) days from the date of accident or discovery of the loss.

Failure to submit said Notice of Loss on the above stipulated prescription period shall mean a loss of interest on the part of the Insured and will exonerate the Insurer from any liability on the benefit of the insurance to which the Insured may be entitled to.

PROVISION ON THE SUBMISSION OF SUPPORTING DOCUMENTS FOR NON-MOTOR VEHICLE CLAIMS

The Insured under the Policy is required to submit the complete basic documentary requirements within thirty (30) calendar days from the date of notification of the loss/claim.

Additional requirements may be required by the Insurance Company which the Insured must submit within fifteen (15) calendar days from its receipt of written notification.

Submission of documents may be extended for justifiable reason/s, subject to the submission of a written request by the Insured within the mandatory period and approval of the Insurance Company.

Failure of the Insured to submit the documents within the required or extended period shall result in the denial of the claim.

SPECIAL EXTENSION CLAUSE

This Policy shall be extended for a period not exceeding six (6) months in the event that the renewal terms and conditions of this Policy have not been concluded upon its expiration, subject to the provisions of Republic Act 12009 and its Implementing Rules and Regulations.

As consideration for any extension under this clause there will be an additional premium which shall be calculated at daily pro rata of the annual premium for this Policy and added to the premium for the original 12-month period for this Policy.

Name	Birthdate	Age	Position	Company
NAVARRO, KEITH SALLAN	May 29, 1987	38	Resident Manager	LEGASPI OIL COMPANY, INC
NACION, GINO NECIO JR.	September 28, 1986	38	Resident manager	LEGASPI OIL COMPANY, INC
BALDERAMA, KLARENZ JAY	April 18, 1998	27	BAC	LEGASPI OIL COMPANY, INC
PAPINA, PRINCESS ELAINE	April 23, 1995	30	DELEGATED BAC	LEGASPI OIL COMPANY, INC
MONTEIRO, ELPIDIO	November 16, 1967	57	DELEGATED BAC	LEGASPI OIL COMPANY, INC
BALBUENA, DONNA	April 18, 1976	48	DELEGATED BAC	LEGASPI OIL COMPANY, INC
SALVADOR, GUILLERMO	February 06, 1975	50	DELEGATED BAC	LEGASPI OIL COMPANY, INC
FRANCISCO, AARON ANGELO	June 05, 1993	32	DELEGATED BAC	LEGASPI OIL COMPANY, INC