

MRV
Human Resources

Payroll Services Scope of Services

1 Scope of Services

The Payroll Services to be provided are the followings:

1.1 Gross to Net Payroll Calculations

Based on inputs provided by the company, Calculate Gross to net Payroll for each local employee and Young Employee.

Appropriate controls with appropriate segregation of duties (as described in attachment 1) should be in place to ensure accuracy and integrity of these calculated amounts.

Control reports as indicated in Attachment 1 should be provided.

Bank payment file should also be provided with appropriate Segregation of duties as indicated in Attachment 1.

1.2 INSS and IRPS calculations

Monthly amounts to be paid to INSS and IRPS as derived from the Payroll calculations should be provided to Company.

Appropriate controls should be in place to ensure accuracy and integrity of these calculated amounts.

1.3 General Ledger File

Payroll accounting entries generated by the vendor payroll system should be provided via Electronic file to the company for subsequent booking into the appropriate general ledger(s)

1.4 Dispatching of Pay slips to Payees

Generation and distribution of pay slips to employees in hard copy or electronic format in line with country requirements and protection of private information and law requirements

1.5 M11 and M20H Submission

Preparation and submission of M20H by due time annually. Submission of M11 when necessary. M20H and M11 shall be signed and stamped by the authority and original forms shall be delivered to MRV.

1.6 *Relação Nominal*

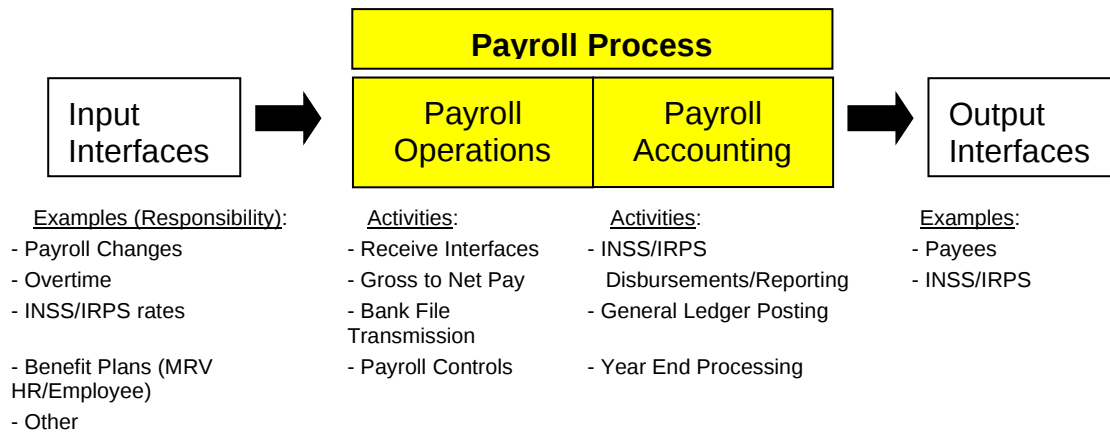
Relação Nominal should be updated and submitted in MITESS system if MRV requests.

The below annex is a complement to the above Scope of Services and, in addition, summarizes all the control steps and reports that should be provided as a minimum by the Vendor.

2 Annex – Additional Scope of Services

Payroll Process Definition

The payroll process *starts* with the receipt of payroll input interface files from many sources and *ends* with the reconciliation of payroll and payroll-related accounts. A simplified diagram of the payroll process follows:



Payroll Process Principles

Payroll process should adhere to the following principles. These principles are applied by ensuring that basic payroll process controls are operational for each payroll.

- Payroll is accurate, timely, and controlled.
- Payroll is in compliance with applicable laws and regulations.
- Personal payroll information is classified as "Private" information with restricted access.
- Segregation of duties is used to control financial exposure.
- Access to payroll system and data is controlled and access is regularly reviewed.
- Controls on payroll disbursements and associated reporting:
 - + Ensure compliance with applicable laws and regulations.
 - + Ensure adherence to MRV SpA policies and procedures.
 - + Safeguard MRV SpA assets.
 - + Prevent fraud and unintentional errors.
 - + Preclude payee discontent due to inaccurate, untimely or improper pay.

A- Services to be provided

- + Gross to Net Pay
- + Payroll Controls
- + Bank Transmission file
- + Pay Slips
- + Performance Metrics
- + INSS/IRPS Calculation and transmission to MRV SpA

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- + General Ledger file for posting in MRV accounting system
- + Annual INSS/IRPS statements by employee
- + M20H
- + M11
- + *Relação Nominal*

B- Payroll Controls to be performed

- B-1. Payroll System Access Controls
- B-2. Data Management Interface to Payroll Process
- B-3. Receipt of Payroll Interface Files

B-4. Payroll Operations

- + Manual review of any errors in the automated interface process to the vendor payroll system are followed-up and re-entered on a timely basis. This control should be executed as needed upon each upload to payroll processing system. Errors and related corrective actions should be kept on file and made available for review.
- + Control reports are reviewed prior to payroll transmission to bank. The control reports are dated, signed by an independent reviewer and retained for two years.
- + Control process must exist with respect to individual bank accounts that are to receive multiple payments. Control report should list bank account details that are scheduled to receive 2 or more payroll deposits in a payroll period. Alternatively, a control report stating payees with the same bank account details may be used. This control should be performed prior to payroll transmission to bank.
- + Control process must exist to identify all payees receiving a large, one-time lump sum payment above a certain LC\$ threshold and who have had a recent change with the last 30 days in either (a) bank account details if the payment is being made by EFT or (b) mail address if payment is being made by hard copy check.
- + Control report should exist to identify any "zero" or "negative net pay" cases. Each case should be reviewed to ensure that the net pay result is accurate. Payroll Vendor should inform the Payroll Vendor Contact of such situations. This control should be performed prior to payroll transmission to the bank.
- + Control report must be generated and reviewed that ensures that key characteristics and control totals (e.g., total number of payments, total LC\$ payment amount, file hash total, other) are completely and accurately exported from the payroll system for creation of the net pay bank interface file. This control should be performed prior to payroll transmission to bank.

C- Electronic Transmission of Net Pay Bank File to Bank

The following transmission methods maybe used with associated controls. The control objective is to prevent unintentional or deliberate changes to the payroll file.

Method 1 - Encryption & Digital Signature (Preferred Method): While all methods listed below are acceptable with adequate controls, the preferred transmission method is electronic

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transmission of a payroll system-generated file to the bank with encryption and a digital signature. A secure transmission method should be used to provide the encryption key to a designated bank contact.

Method 2 - Encryption, NO Digital Signature

- + Requires a file authorization process to confirm file data integrity. This process includes a call back by the bank to an authorized person to confirm control totals (number of payees and LC\$ total) before payment release.

D- INSS/IRPS Payments and Reporting

- INSS and IRPS Payment requests are prepared by Payroll Vendor, individually approved by an authorized person and sent by the Payroll Vendor to the Payroll Vendor Contact for payment processing. All information on the signed, payment approval document should be consistent with information on any supporting documents.
- Batch total control reports are generated and reviewed which ensure that key characteristics and totals are completely and accurately exported from the payroll system to the third-party payments interface file. This control should be performed as needed prior to transmittal of third-party payment interface file to the Payroll Vendor Contact.
- INSS and IRPS Rates: Annual review of the INSS and IRPS Rates in the vendor payroll system must be conducted by the Payroll vendor. Review results should be communicated to the company
- Year end INPS/IRPS statements for each payee are prepared by Payroll Vendor, individually approved by an authorized person and sent by the Payroll Vendor to the Payroll Vendor Contact. All information on the signed, payment approval document should be consistent with information on any supporting documents.

E- PAYROLL ACCOUNTING

General Ledger Posting: Payroll accounting entries generated by the vendor payroll system should be provided via Electronic file to the Vendor contact for subsequent booking into the appropriate general ledger(s).

Minimum Requirements

No.	Minimum Requirements	Yes or No and please provide attachment for each section based on numbering provided
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#	Description	Comments and provide evidence to support
	Declaration duly signed by COMPANY representative stating fully acceptance of Appendix "D" (this document);	Tenderers' written letter accepting the SoW
a)	Number of 5 years in the market providing similar SERVICE	Firm profile describing main activities and skills
b)	List of 5 references to whom is/was providing similar SERVICE;	Law firm profile describing main activities and skills
c)	Declaration duly signed by COMPANY representative stating that the Solution offered should be preferably Cloud based.	Law firm profile describing main activities and skills

COMPANY NAME

Legal Representative

Name: _____

Title: _____

Signature: _____ (stamp)

Date _____

COMPLIANCE DECLARATION FORM

Background: Mozambique Rovuma Venture S.p.A (MRV) is committed to compliance with all laws that apply to its operations. Depending on the circumstances, certain laws prohibit the COMPANY¹ from providing anything of value to an Official (as defined below, section 4.a.) or an immediate relative of an Official in order to secure an improper advantage. In order to make an evaluation to be sure that we comply with these laws, we gather information from company². The analysis with regard to a particular company will depend on a number of factors, which the COMPANY will carefully evaluate. Therefore, we appreciate your assistance in completely and accurately responding to the following questions.

Please provide complete answers to all of the questions below. For any answer requiring more space than is given in this questionnaire, provide the answer on a separate sheet of paper. Please attach all requested additional documentation. Note that the form requests information for yourself (if you are the contracting party), your company, and any person, company or other entity owning an interest in your company or its parent, directly or indirectly, including your ultimate parent company.

Please note that the incomplete response may result in your bid submission be rejected or disqualified.

1 Identifying Information

a) Full legal name of business, company or individual:

b) Doing Business As (DBA) name or trade/marketing name (if applicable):

c) Business Address (principal place of business and address for purposes of communication with MRV, if different from the principal place of business):

d) Telephone: _____

e) E-Mail: _____

2 Company Background

If your company is directly or indirectly owned by multiple entities or individuals, please provide the requested data for all such owners.

a) Business type: ____ Corporation ____ Partnership ____ Sole Proprietorship ____ Other

If "other", please describe _____

b) Date and place of company incorporation/registration (please attach copies of incorporation/registration documents):

c) Principal lines of business of company or individual, (please attach any recent reports filed with the regulator of a public stock exchange) and length of time in each line of business:

d) Other locations of business activities:

¹ COMPANY means Mozambique Rovuma Venture S.p.A (MRV)

² company means contracting party (entity or individual) with MRV

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- e) Have you, or your company, or any officer or director of your company, or any of the individuals who will perform the work under a contract with MRV ever been charged with or investigated for a criminal offense, including money laundering, tax evasion, bribery, Italian legislative decree law n.231/01, Health Safety Environment (HSE) and crimes against Public administration? If so, provide details.

- f) Have any of your shareholders (provided your company shares are not traded on a public stock exchange) ever been charged with or investigated for a criminal offense, including money laundering, tax evasion, or bribery? If so, provide details.

- g) Have you ever declared a state of bankruptcy, enforced liquidation nor any insolvency procedure? If so, provide details.

3 Ownership and Management

- a) If a company, are your shares publicly traded on a stock exchange?

___ Yes ___ No. If yes, what percent? _____

If yes, please attach a copy of your most recent public filing showing the company's shareholders, partners, or owners; if this filing does not list major (>1%) shareholders, please identify any major shareholders, to the best of knowledge of your company.

- b) If you are not publicly held, please give the names, nationalities and countries of residence of all of your shareholders, partners, and beneficial owners. Please indicate the exact ownership interest of each person or company listed (%). **(Mandatory)**

If one or more of your owners is a company, list the ultimate beneficial owner(s) and any intermediate entities or persons owning an interest in that company.

- c) Please list the names, nationalities and countries of residence of all officers, directors, managers, or other employees with executive or management authority, and the "key employees": who will perform services on behalf of the company under any contract. Please provide this information as well for any company that is the ultimate beneficial owner of your company, and of all employees who will be managing the performance of services under the proposed contract.

- d) Do any of the persons listed anywhere in the responses to this Question 3 above hold director, officer or other management positions with other companies, businesses, or entities? If yes, give the name of each company and the title of the relevant position.

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- e) Please list the names and addresses of any individual, company or entity that will receive any portion of the payment as a result of participating in any type of subcontract with your company in performing the work covered by the proposed contract.

- f) Please list the names and addresses of any individual, company or entity that will receive any portion of the payment as a result of participating in any type of partnership, joint venture, or alliance with your company in performing the work covered by the proposed contract.

- g) Please list the names, nationalities, and countries of residence of all persons who directly or indirectly have an ownership interest in any company or entity listed above.

- h) Are any companies affiliated (as defined below) with your company:
- i. Organized, existing, incorporated, or operating under the laws of a country sanctioned by the United States (including, but not limited to, Crimea, North Korea, Sudan, Syria, Cuba, or Iran)? _____ (Yes or No)
 - ii. Specially Designated Nationals (SDNs) as identified by the U.S. Office of Foreign Assets Control or identified on the Commerce Department's Denied Persons and Entity List? _____ (Yes or No)

If your answer is yes to any part of the above, please list all such companies, jurisdictions of organization, and your ownership interest below. For the purpose of the above questions, a company affiliated with your company includes: (i) any parent of your company, (ii) any company or partnership in which your company or any parent of your company, directly or indirectly (1) owns or (2) controls, more than fifty percent (50%) of the ownership interest having the right to vote or appoint its directors or functional equivalents, and (iii) any joint venture in which your company, any parent of your company, or a company meeting the requirements of g)(i) or (ii), above, has day-to-day operational control.

- i) If any Powers of Attorney will be requested from MRV in order to perform the work covered by the proposed contract, please list:

- i. the companies or entities for whom the Powers of Attorney will be requested:

COMPLIANCE DECLARATION FORM

- ii. the names, nationalities and countries of residence of all persons who directly or indirectly have an ownership interest in any company or entity that you listed in response to i) above.

4 Relationships with Governments and Public International Organizations.

- a. Definition: "Official" means any agent, officer, or employee (elected, appointed, or career) of (1) a government/public administration or any department or agency of government/public administration at the national, regional or local level; (2) a political party or candidate for political office; (3) any company that is majority-owned or controlled by a government/public administration, such as a national oil company; or (4) a public international organization such as the World Bank, the United Nations or the International Monetary Fund; or (5) anyone in charge of providing a public service as designated by a government/public administration.

- b. Are any of the persons listed anywhere in the responses to Question 3 above:
- i. Officials? _____
 - ii. Close relatives of Officials? _____
 - iii. Prior Officials? _____
 - iv. Involved in any business relationship, including acting as an agent or consultant for, or holding common ownership of any business enterprise or partnership with, any Official or close family member of an Official? _____

- c. If the answer to any part of Question 4 b) is yes, provide details for each such person, including:

- i. full name of Official:

- ii. official responsibilities:

- iii. dates of service (current or past):

- iv. for relatives, the relationship:

- v. for common business interest, the type of business relationship, including the name of any enterprise or partnership, and the nature of any agency agreement:

5 Conflict of Interest

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(please, select the alternative)

- ☐ no conflict of interest, even a potential one, exists between the company– and/or between its controlling companies or subsidiaries with MRV
- ☐ the following situation of conflict of interest exists, or potential conflict of interest *(specify the exact situation of conflict of interest, even a potential one, between the company - and/or between its controlling company and/or subsidiary with MRV*

6 Trustee³

(please, select the alternative)

- ☐ the following Trust Company (ies) is/are present in the control chain of the company:

and the relevant Trustees (physical persons ultimate beneficiaries) are:

- ☐ no Trust company is present in the control chain of the Company.

7 References

- a. Please list two references (company name and contact information) for the work for which you are being considered by MRV.

³ A trust company is a legal entity that acts as a fiduciary, agent or trustee on behalf of a person or business for the purpose of administration, management and the eventual transfer of assets to a beneficial party.

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IMPORTANT NOTICE:

PERSONAL INFORMATION:

- MRV collects personal information directly from you through the above questionnaire.
- MRV also collects personal information about you and about your employees, owners and/or entity. By completing this questionnaire, you consent to the information you have provided being used by MRV for the purposes described below. You should also obtain the written consent of anyone whose information you have included in this questionnaire for its use and transfer as appropriate.

PURPOSES & DISCLOSURES:

- The information is used by MRV for legitimate business purposes and in connection with a potential business relationship with your company. In particular, it is used to evaluate potential risks which MRV may be exposed to under all applicable anti-bribery and corruption laws as a result of entering into a commercial relationship with your company or associated third parties.
- MRV receiving and processing this information is expected to do so consistently with the purposes and disclosures description set out in this notice and they will protect such data consistent with applicable policies and laws.

Italian legislative decree law 231/01:

- MRV is an Italian legal entity. As such, it must comply with Italian legislative decree law n.231/01 and your company is expected to comply with this law as applicable.

Your company is also expected to get acquainted with the contents and comply with the MRV Model 231.

The company acknowledges that:

- the submission of an information resulting to be, false or incomplete, will be grounds for exclusion from the tender or further evaluation, without prejudice to any other legal rights and remedies;
- without prejudice to any obligations to submit all due certifications/evidence as may be required by law, COMPANY reserves the right to request the submission of any such certificate(s) as may be deemed necessary to show that the above requirements are met, by any lawful means, the truthfulness of this Form.

By signing at the bottom of this document, you declare that you have the proper authority to disclose the relevant information and that you consent to the processing as described above accepting that such collection, storing or other processing may be conducted by a third party or may occur in another country.

I understand how the personal information content in this questionnaire will be used and I consent to the use, transfer and disclosure of the information for the purposes and disclosures described above.

- a. The valid identity document of the signatory having no. _____ issued on _____ by _____ is attached, and
- b. Power of attorney or other document confirming the authority of the signatory to sign this Form on behalf of company.

Date: _____

Signature: _____ (stamp)

Name: _____

Title: _____

being a person who, in accordance with the laws of _____, is authorized to sign the Form on behalf of company.