

ICTSI SUBIC INC. (the "Company")
Purchase Order Terms and Conditions

1. The Purchase Order ("P.O.") is prepared by the COMPANY in accordance with its SUPPLIER's (or seller, SUPPLIER, etc., as the case may be) quotation and the full quantity/lot mentioned should be filled/completed at the prices within the Delivery Period stipulated. All the terms in the P.O. are deemed integrated herein.
2. **THESE TERMS AND CONDITIONS ("P.O. CONDITIONS") SHALL SERVE AS A BINDING AGREEMENT BETWEEN THE COMPANY AND THE SUPPLIER. THE SUPPLIER ACKNOWLEDGES IT HAS FULLY READ THE P.O. CONDITIONS AND ACCEPTED AND AGREED TO THE SAME AND THAT ITS CONFIRMATION OF RECEIPT OF THE P.O. AND/OR DELIVERY OF THE ORDERED REQUIREMENTS SHALL BE TANTAMOUNT TO SUPPLIER'S EXPRESS AGREEMENT WITH THESE P.O. CONDITIONS.**
3. Should the Parties execute a formal agreement, the P.O. Conditions and the said agreement shall be considered integrated and construed together. In case of conflicting provisions, the P.O. Conditions shall prevail, unless otherwise stated in the agreement.
4. Prices reflected in the P.O. are value added tax-exclusive (VAT-EX). The **VAT-Exemption**, should be reflected in the Original Invoice. The appropriate amount of withholding tax for local suppliers will be deducted from the purchase/contract price, when applicable.

5. **Deliveries**

a) **Materials** (Local and Indent Orders)

Unless stated in the P.O., all deliveries must be directed to:

- **For Local Orders**

ICTSI SUBIC INC.
NCT-2 SAN BERNARDINO ROAD
SUBIC PORT BAY FREEPORT ZONE
OLONGAPO 2222 PHILIPPINES

- **For Indent Orders**

ICTSI SUBIC INC.
NCT-2 SAN BERNARDINO ROAD
SUBIC PORT BAY FREEPORT ZONE
OLONGAPO 2222 PHILIPPINES

Receiving Time: 8:00 a.m. to 5:00 p.m., Mondays to Saturdays, except for emergencies identified by the Procurement Officer/s

Delivery Receipts: Forwarded to Engineering Warehouseman upon delivery

The COMPANY's Security Personnel will not allow deliveries direct to the end users, unless pre-arranged with and approved by the Procurement Officer/s.

b) **Services**

All Services must be directed to the end user. Service Reports (or any equivalent document) must be submitted to the end user upon rendering of service.

6. Invoices / Documents

Suppliers are required to indicate the P.O. No. and the name of the COMPANY contact person on the face of the cash / charge invoices, billing statements or Statement of Account (SOA), whichever is applicable.

a) Local Orders

Procedures for the relevant Payment Term are as follows:

Cash on Delivery (COD) / Advance Payment

- Not requiring bonds: e-copy of the invoices must be sent to Accounting section email (SBITC-Accounting@sbitc.ph)
- Requiring bonds: hard copy of invoices and supporting documents (i.e., Bonds) must be submitted to Accounting section
 - Main Point of Contact (POC): Melanie Reyes, Treasury Assistant
 - Alternate POC: Alianna Erika E. Busayong, Accounting Assistant
 Address: Admin. Building. NCT-1 San Bernardino Road, Subic Port Bay Freeport Zone, Olongapo 2222, Philippines

Progress Billing

- Forward original hard copy invoices and supporting documents directly to the Project Manager for their concurent. Project manager shall forward approved invoices to Accounting section for payment processing.

Payment Term of 7, 15 or 30 Days

- Forward original hard copy invoices directly to Accounting section for payment processing.
 - Main Point of Contact (POC): Melanie Reyes, Treasury Assistant
 - Alternate POC: Alianna Erika E. Busayong, Accounting Assistant
 Address: Admin. Building. NCT-1 San Bernardino Road, Subic Port Bay Freeport Zone, Olongapo 2222, Philippines

b) Foreign Orders (Services; Subscriptions)

- All Tax Invoices (for payment): e-copy and hard copy (if applicable) to Accounting section for payment processing.
 - Main Point of Contact (POC): Melanie Reyes, Treasury Assistant
 - Alternate POC: Alianna Erika E. Busayong, Accounting Assistant
 Address: Admin. Building. NCT-1 San Bernardino Road, Subic Port Bay Freeport Zone, Olongapo 2222, Philippines

c) Indent Orders (Materials)

- All Shipping Documents (i.e., Original Pro-Forma Invoices, Commercial Invoices, Bills of Lading / Airway Bills, Certificate of Origin, etc.) must be directed to Global Procurement Department (c/o Import/Export Coordinator) not to the end user. E-mail advance copy to Ms. Katy Abuan (kabuan@ictsi.com) and Ms. Girlie Culanay (tculanay@ictsi.com).
- All Tax Invoices (for payment): e-copies and hard copies (if applicable) to Accounting section for payment processing.
 - Main Point of Contact (POC): Melanie Reyes, Treasury Assistant
 - Alternate POC: Alianna Erika E. Busayong, Accounting Assistant
 - Address: Admin. Building. NCT-1 San Bernardino Road, Subic Port Bay Freeport Zone, Olongapo 2222, Philippines

7. Payment Term Baseline Date

a) For registered Ariba Network (AN) suppliers

- **For foreign suppliers:** P.O. Confirmation, the receipt of the Goods Receipt Notice, and the P.O. Flip are pre-requisites to payment. The date of successful P.O. Flip will be the baseline date to determine due date of payment based on the P.O. payment terms.

- **For local suppliers:** P.O. Confirmation, the receipt of the Goods Receipt Notice, the P.O. Flip, and submission of hard copies of invoices to Accounting section c/o Accounts payable or Treasury team are pre-requisites to payment. The date of successful P.O. Flip or the receipt of the hard copy invoice, whichever is later, will be the baseline date to determine due date of payment based on the P.O. payment terms.
- b) For non-registered AN suppliers**
- For foreign suppliers: e-copies of invoices / billings should be sent to Accounting section email (SBITC-Accounting@sbitc.ph). Baseline date to determine the due date of payment will be upon receipt of correct and complete e-copies of invoices/supporting documents, or GR date, whichever is later.
 - For local suppliers: hard copies of invoices must be sent to Accounting section c/o Accounts payable or Treasury team. Baseline date to determine the due date of payment based on the P.O. payment terms will still be upon receipt of the hard copies of invoices/supporting documents, or GR date, whichever is later.
8. For **Indent Orders made under Cost and Freight (CFR), or Cost, Insurance and Freight (CIF)**, the SUPPLIER must prepay the freight and other delivery expenses. For **Free on Board (FOB) orders**, the SUPPLIER must prepay the delivery, handling, and port charges in placing the goods on board the carrying vessel or aircraft. The original Bill of Lading or Airway Bill must be presented to the Procurement Officer upon shipment of the goods. Moreover, the SUPPLIER must submit via e-mail a Pro-Forma Invoice to the Procurement Officer concerned for Telegraphic Transfer (T/T) processing upon receipt of the P.O.
 9. For **Indent Orders via Sea Freight**, all shipment must be unloaded at the MICT North Port, or Subic Port. Otherwise, all charges incurred due to unloading at the incorrect port (i.e., Clearing, arrastre, storage, trucking, etc.) will be paid for by the SUPPLIER.
 10. If this P.O. is for the **purchase of machines or equipment**, the COMPANY reserves the right to buy its spare parts, accessories and supplies from other suppliers.
 11. The COMPANY reserves the right to require the Seller to post a **surety bond** equivalent to not less than ten percent (10%) of the total value of the P.O. or the value of the down payment, whichever is higher.
 12. Shipment intended for the COMPANY (for indent materials), delivery to the COMPANY (for local materials), and completion of project (for services) must be made timely within the Delivery Period, unless deferred shipment/delivery and/or completion has been authorized by the COMPANY.
 13. In case of any delay, the SUPPLIER shall be liable to the COMPANY for delivery penalty equivalent to 1/10 of 1% of the contract sum for every day of delay, but not to exceed ten percent (10%) of the said sum, without prejudice to other remedies the COMPANY may be entitled to.
 14. The COMPANY may demand or cause correction or revision of **defects** at the SUPPLIER's sole expense within the applicable warranty period. Materials are subject to the Engineering Warehouseman's inspection and approval at a reasonable time after delivery to the COMPANY (for both local and indent materials). If specifications are not met or articles are defective, the Materials may be returned by the COMPANY also at the SUPPLIER's sole expense.
 15. The COMPANY shall have the right to purchase elsewhere and/or cancel the unfulfilled, incomplete, and/or undelivered portion of the goods and/or services under the P.O., as may be applicable, upon giving the SUPPLIER written notice at least three (3) days before the date of

cancellation and without incurring any liability with the SUPPLIER, provided that all invoices as of date of cancellation are payable by the COMPANY to the SUPPLIER:

- For any cause, unless expressly excluded by the Parties;
- In case of material breach by the SUPPLIER, including delay; and/or
- In case the COMPANY is unable to secure any license, permit or authorization required by any government entity in connection with this transaction.

The COMPANY shall be immediately refunded of the portion of its advance payment, if any, for unfulfilled/uncompleted deliveries, if any. Likewise, the COMPANY shall also have the option to take any goods, work or other items covered by the P.O. whether finished, unfinished or in process.

16. The SUPPLIER shall be liable to the COMPANY for **liquidated damages** equivalent to five percent (5%) of the contract sum for breach or default by the SUPPLIER of any of its obligations under the P.O.
17. In case the SUPPLIER is prevented from delivering or the COMPANY from receiving and/or using any of the items covered by the P.O. due to **force majeure**, the force majeure shall operate to suspend deliveries or acceptances, as the case may be, during the affected period. This is subject, however, to the COMPANY's right under **Clause 12** hereof. Force majeure is any event such as fire, typhoon, flood, strikes, lock-out, epidemic, accident, war, blockade, civil commotion, or other similar events beyond the reasonable control of the concerned Party.
18. *Compliance with Laws.* The SUPPLIER shall maintain compliance with all laws, rules, regulations and orders of any governmental authority as well as possession of all required permits, licenses and other authorizations for the conduct of its business and its performance of the Agreement.
19. *Company Policies Commitment.* The SUPPLIER shall comply with the COMPANY's policies, rules and regulations ("Policies") related to the needs and requirements for the Agreement. The SUPPLIER, hereby, acknowledges access to and endeavors regular updating with copies of COMPANY's latest (i) Code of Business Conduct; (ii) Procurement Guidelines; (iii) Global Principles on Human Capital; and (iv) other applicable Policies. The SUPPLIER agrees to inform each of its concerned employees, sub-contractors, and agents of these Policies and undertakes that the performance of the Agreement shall be consistent with the same.
20. *Anti-Bribery Compliance Policy.* The SUPPLIER further represents and warrants that it has not, or any of its directors, officers, employees or representatives, condoned, accepted, received or has taken any action in furtherance of, an offer, payment, promise to pay, or authorization or approval of the payment or giving of money, property, gifts or anything else of value, directly or indirectly, to any government or public official/candidate or any director, officer or employee of the COMPANY or its affiliates to unlawfully influence official action or secure an unlawful advantage. The SUPPLIER and its Personnel shall not condone, tolerate, solicit, ask for, accept or attempt to accept, directly or indirectly, a bribe, kickback, or other personal benefit, monetary or otherwise, from the COMPANY's customers, employees, officers, any port users, or government officials, where such request or receipt would amount to an improper or unlawful performance of a function or activity, such as a breach of trust, impartiality, or good faith. A violation of this Clause is a ground for termination of this Agreement. The SUPPLIER shall ensure that it conducts its business in compliance with applicable anti-corruption laws and maintains policies and procedures designed to promote and achieve compliance with such laws and, furthermore, the ICTSI Revised Anti-Bribery Compliance Policy and Procedure. The SUPPLIER agrees that the COMPANY shall have the right, after written notice to the SUPPLIER to conduct an investigation and audit of the Supplier's policies, books, records and accounts to verify compliance with this Clause.

21. *Sustainability.* The ICTSI Group is committed to uphold the principles of sustainable development in its operations and corporate stewardship of its people, customers, corporate resources, and the environment. These thrusts are documented in ICTSI's Annual Sustainability Report available at <https://www.ictsi.com/what-we-do/sustainability>. In the performance of the Services, the SUPPLIER undertakes to observe the foregoing or analogous principles and commitment and shall cooperate with the COMPANY in its sustainability efforts in the Terminal and its community.
22. *Health and Safety.* The SUPPLIER must perform the services in the Company premises, if any, safely so as to protect person and property based on applicable laws as well as the Health, Safety, and Environment (HSE) Policies (<https://www.sbitc.ph/safety-and-security>). The SUPPLIER shall provide the COMPANY HSE documentations that may include: risk assessments; work methodologies; licenses and certificates; and standard Operating Procedures. The SUPPLIER shall immediately notify the COMPANY of any health and safety and/or environmental incident (e.g. injury, property damage, oil spill, etc.) by the quickest practicable means (e.g. by phone call). The SUPPLIER shall follow this notice with a formal incident report in writing within eight (8) hours from the occurrence.
23. The SUPPLIER guarantees that any articles furnished under this P.O. and the use thereof do not infringe on any **patent or trademark rights** and that the same will comply in all respect with the Philippine laws and regulations.
24. The COMPANY name, logo, trademark and other intellectual property, trade secret or any proprietary right shall not be used by the SUPPLIER, unless with written consent of the COMPANY. No public announcement concerning or related to this Agreement shall be made without the prior written consent of the COMPANY. If such consent is obtained, the text of the proposed release or plans for the public relations activities shall be submitted to the COMPANY for review prior to the release date.
25. The SUPPLIER assumes full responsibility and shall hold free and harmless and indemnify the COMPANY against any and all claims, liabilities, losses, damages, and expenses arising out of the P.O. caused by the fault, negligence, or breach of obligations or violation of any applicable local laws and regulations by the SUPPLIER or its directors, officers, employees, agents or representatives.
26. This Agreement and all its subsequent variations shall be governed by and construed in accordance with the **laws of the Republic of the Philippines**. In case of any dispute arising in connection with the P.O., it is agreed that the venue for the settlement of the dispute shall exclusively fall within jurisdiction of the proper courts of the **City of Manila**.