

PURCHASE ORDER NO.: _____
Issued by FIRST PARTY: CIC and/or affiliates
Issued to SECOND PARTY: Supplier
Dated: _____

General Terms and Conditions

1. **Interpretation.** These General Terms and Conditions form an integral part of FIRST PARTY's Purchase Order ("PO"), and will apply to all Goods/Services purchased by FIRST PARTY from you. These General Terms and Conditions will be deemed modified to the extent only that any of its provisions are inconsistent with a specific provision in the PO. FIRST PARTY renounces any term, condition or reservation which may accompany your acceptance of the PO.
2. **Acceptance and Validity.** A PO issued by FIRST PARTY to you constitutes an offer to buy the Goods/Services described in the PO under the terms set out in the PO and these Terms and Conditions. A contract for the supply of the Goods /Services is deemed formed between you and FIRST PARTY when you (a) communicate either in writing or verbally with FIRST PARTY, the content of which confirms or implies acceptance; or (b) you dispatch the Goods and/or commence performance of the Services.
3. **Goods/Services.**
 - 3.1 "Goods" shall mean those tangible items listed in the PO, and shall be new, of recent origin, of merchantable quality and fit for the purpose for which they are purchased, and when used properly, be safe and not endanger health, safety and the environment.
 - 3.2 "Services" shall include but shall not be limited to installation, maintenance and other types of labor-based services, as described in the PO and everything necessary to carry out the same, and shall be performed with due skill, care and attention in a safe and diligent manner by personnel who are qualified, licensed, competent, and experienced in providing the Services or by personnel specified in the PO, if any.
 - 3.3 Goods and Services must
 - 3.3.1 comply with the specification or description in the PO;
 - 3.3.2 be in accordance with all applicable standards, laws and regulations.
4. **Purchase Price and Payment Terms.**
 - 4.1 The Purchase Price
 - 4.1.1 is firm, and is not subject to any adjustment, unless otherwise agreed by the parties in writing;
 - 4.1.2 is inclusive of all costs for materials, tools, equipment, labor, packaging, delivery, overhead, insurance premiums, contingencies, escalation costs by reason of delay or otherwise, and other incidental charges necessary to achieve satisfactory and timely fulfillment of the PO, as well as duties, taxes and profits;
 - 4.1.3 is no higher than that charged by you to your other customers purchasing similar goods, services or works under the same conditions;
 - 4.1.4 shall be paid within 90 days from receipt of your invoice, unless otherwise agreed by the parties in the PO.
 - 4.2 The invoice shall contain the following information: purchase order number, item number, description of Goods/Services as indicated in the PO, quantity, prices, taxes, and total amount due, and where applicable, sizes, weight, dimensions, quantities, purity/concentration, part numbers, and other details required by FIRST PARTY; otherwise the same shall not be deemed received.
 - 4.3 The SECOND PARTY is required to enroll in the Vendor Invoice Input System (VIIS) platform. The Manual and instructions for enrolment and use shall be provided to the SECOND PARTY upon accreditation.
 - 4.3.1 The FIRST PARTY will not counter or process invoices unless they are inputted and scanned through the VIIS platform.
 - 4.4 The FIRST PARTY reserves the right not to pay any invoice/billing which is submitted after 60 days from the date of delivery or performance of the Goods or Services, unless the delay in the submission is due directly to the fault of the FIRST PARTY.
 - 4.5 Payment shall be subject to adjustment for errors, shortages or defects in the Goods/Services or any other failure to comply with the PO or these Conditions.
 - 4.6 When applicable based on FIRST PARTY's policies or discretion, FIRST PARTY shall retain ten percent (10%) of the PO Price, which shall answer for any warranty claims, and from which shall be deducted any amount due FIRST PARTY from you. The Retention Amount, or the balance thereof, if any, shall be released within thirty (30) days from the lapse of the Warranty Period set forth in the PO, and your submission of the following:
 - 4.6.1 FIRST PARTY's Certificate of Acceptance; and/or
 - 4.6.2 Any other submittals as may be required by FIRST PARTY.
5. **Delivery.**
 - 5.1 You acknowledge and agree that:
 - 5.1.1 Delivery shall be made at such date, time and place in accordance with the instructions of FIRST PARTY or as specified in each PO, at your expense, unless otherwise agreed. If the PO does not specify the place of delivery, the delivery shall be made at FIRST PARTY's principal office address, as indicated in the PO.
 - 5.1.2 All local deliveries must have a delivery receipt (DR) and invoice, while imported Goods/Services must have packing lists and pro-forma invoices, unless otherwise stated in the PO. Deliveries without, or with altered, DRs/packing lists and invoices shall not be accepted by FIRST PARTY.
 - 5.1.3 Time is of the essence in this Agreement and no demand is necessary for you to incur in delay.
 - 5.1.4 You shall deliver the Goods and/or perform the Services in such description, specification, quantity, frequency, schedule, location and other conditions set forth in the PO, in a timely, diligent, competent and professional manner, in accordance with the highest standards in the industry, and in a manner acceptable to FIRST PARTY.
 - 5.1.5 FIRST PARTY shall have the right to inspect the Goods/Services within 30 days after delivery/completion. FIRST PARTY may reject Goods/Services that do not comply with the PO. FIRST PARTY shall not be considered to have accepted the Goods/Services, and delivery/performance shall not be deemed made or complete, until FIRST PARTY has actually inspected the Goods/Services and ascertained that the same are compliant with the PO.
 - 5.1.6 Where only a portion of the Goods/Services comply with the specifications and standards, FIRST PARTY may accept the compliant Goods/Services and reject the remainder, or reject all; rejected Goods/Services shall not be deemed delivered or performed.
 - 5.1.7 In case of rejection, you shall, at FIRST PARTY's option, (a) refund any payment for the rejected Goods/Services, within 7 days from notice of rejection, or (b) replace the Goods and/or rework the Services, within 3 days from notice for local Goods/Services or 7 days for imported Goods/Services, at your cost.
 - 5.1.8 Unless the delay is solely and directly attributable to FIRST PARTY's fault, you agree to compensate FIRST PARTY for all expenses and losses in connection with the delay, but in no case lower than 1/10 of 1% of the PO price for each day of delay. In case the delay exceeds 3 days, FIRST PARTY may, at its option and upon notice to you, cancel the PO in whole or in part, and/or procure the Goods/Services elsewhere, and charge you for any loss, expenses and additional costs thereby incurred by FIRST PARTY. The foregoing remedies shall be without prejudice to other remedies available to FIRST PARTY under applicable laws and equity.
 - 5.1.9 FIRST PARTY's acceptance of the Goods/Services or payment of the Purchase Price does not in any way constitute a waiver of any right or warranty.
 - 5.2 **Goods Only.**
 - 5.2.1 Where testing of the Goods is required, delivery shall not be deemed to have occurred until FIRST PARTY has tested the Goods and has determined that the Goods are compliant with specifications.
 - 5.2.2 You shall assume risk of loss or damage to the goods until such time that the Goods are delivered to FIRST PARTY, unless otherwise agreed by the parties.

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5.2.3 In case of rejection, title and risk in the rejected Goods shall immediately re-vest in you upon notice of rejection, and you must immediately pull out the rejected Goods and remove from the rejected Goods any of FIRST PARTY's intellectual property or any other distinguishing marks such as name or logos, if applicable.

6 **Cancellation of PO.** FIRST PARTY may, at any time, cancel or terminate any PO, in whole or in part, upon written notice to you.

7 **Warranties.** You warrant that:

- 7.1 You have unencumbered title to all Goods and that use of the Goods will not infringe the intellectual property, or other rights of FIRST PARTY or any third party, and you shall protect FIRST PARTY against infringement or claims for infringement, and promptly report the same to the FIRST PARTY.
- 7.2 All documentation (including drawings and reports) which you shall supply in relation to the Goods or as part of the Services shall be accurate, comprehensive and complete.
- 7.3 From acceptance and for the duration of the Warranty Period set forth in the PO, the Goods/Services will be free from defects in design, manufacture and assembly. In case of breach of this warranty, you shall, at FIRST PARTY's option, (a) refund any payment made for the Goods/Services within 7 days from notice, or (b) promptly replace the Goods and/ or rework the Services, at no additional charge to FIRST PARTY, within 3 days from notice for local Goods/Services or 7 days from notice for imported Goods/Services. FIRST PARTY shall notify you of any defects in any Goods/Services received by FIRST PARTY as soon as reasonably possible after FIRST PARTY discovers such defects. You shall be responsible for the disposal of non-conforming Goods.
- 7.4 You shall comply with all applicable laws, rules and regulations in connection with the performance of your obligations under the PO and these Terms and Conditions.
- 7.5 You hold all relevant import licenses, consents or authorities necessary for performance of your obligations under the PO and these Terms and Conditions.
- 7.6 You did not give, nor promise to give, any sum of money, gift, favor or consideration to any officer or employee of FIRST PARTY for the purpose of securing the PO.
- 7.7 You shall desist from directly or indirectly recruiting or soliciting any employee, customer, client, or account of FIRST PARTY, or from competing with FIRST PARTY.

All warranties specified herein shall be in addition to any other warranties, express, statutory or implied.

8 **Indemnification.** You must defend, indemnify and hold FIRST PARTY, its affiliated companies, and their representatives, successors, and assigns harmless from and against any and all liabilities or losses arising directly or indirectly from or in connection with your act, omission, or breach of the PO or these Terms and Conditions.

9 **Insurance.**

- 9.1 Without in any way limiting your indemnity obligation under these Terms and Conditions, you shall take out and maintain, at your sole cost and expense, the following insurance with respect to your operations: Insurance on the Goods, Comprehensive General Liability and any other insurance as may be reasonably required by FIRST PARTY.
- 9.2 Prior to the execution of this Agreement, you shall obtain, and furnish to FIRST PARTY certificates of insurance evidencing the coverage required herein and stating that no reduction, cancellation or expiration of such insurance coverage shall become effective until notice thereof is mailed to FIRST PARTY.

10 **Confidentiality.** You shall desist from disclosing confidential information of FIRST PARTY.

- 10.1 "Confidential Information" shall include, but is not limited to, proprietary or trade secret information, business plans, customer lists, financial statements, services offered, and methods for identifying and contacting customers or potential customers.
- 10.2 Violation of this provision shall entitle FIRST PARTY to compensation for damages incurred as a result of the violation, including attorney's fees and costs.

11 **Miscellaneous.**

- 11.1 No waiver shall be deemed made by FIRST PARTY unless in writing and duly signed by its authorized representative.
- 11.2 SECOND PARTY warrants that it: (a) shall comply with all applicable laws, statutes, directives and/or regulations relating to anti-bribery and anti-corruption including but not limited to FIRST PARTY's Code of Ethics and the United States Foreign Corrupt Practices Act; (b) did not give, nor promise to give, any sum of money, gift, favor or consideration to or from any person, whether a government official or private party, to obtain an improper advantage over this Agreement, or secure the improper performance of that person's function or misuse of that person's position, or in his or her personal capacity, to facilitate or expedite government action; and, (c) did not give, nor promise to give, any sum of money, gift, favor or consideration to any officer or employee of the FIRST PARTY for the purpose of securing and retaining this Agreement or any of its terms. Any breach of this clause shall be deemed a material breach of this Agreement entitling either party to terminate this Agreement immediately.
- 11.3 The FIRST PARTY subscribes to high ethical standards in dealing with contractors, suppliers and other business partners. As a matter of policy, the FIRST PARTY will not give, nor promise to give, any sum of money, gift, favor or consideration, to any person for the purpose of securing this Agreement. If SECOND PARTY becomes aware of any circumstance that any employee, contractor, supplier or business partner of the FIRST PARTY is engaged in unethical conduct, the SECOND PARTY shall inform the FIRST PARTY immediately through (a) its ProActive Hotline Anonymous Reporting System (<https://services.punongbayan-araullo.com/extdata/proactive.nsf/goto/concepcion>) or look for Proactive Hotline in any web browser and key in Concepcion Industrial Corporation or (b) any means possible.
- 11.4 FIRST PARTY adheres to strict Environmental, Health, Safety and Security Policies. FIRST PARTY reserves the option to suspend or cancel any work or delivery, or adjust the fees if, in its reasonable judgment, the commencement or continuance of work or delivery would compromise the safety or security of any person or property or damage the environment. FIRST PARTY will bear any risk or expense directly caused by the resultant delay if the same was solely necessitated by FIRST PARTY's fault.
- 11.5 In the event that the SECOND PARTY receives personal information as defined in the Data Privacy Act of 2012 (the "Act"), it shall ensure that it fully complies with the provisions of the Act and that such personal information will only be used to perform its obligations under this Agreement.
 - 11.5.1 The SECOND PARTY shall take all reasonable steps to ensure that its employees, contractors or agents who use or process personal information comply with this clause and the Act, at all times.
 - 11.5.2 The SECOND PARTY shall indemnify the FIRST PARTY, and hold it free and harmless from any liability, for any violation or breach of this clause or the Act which renders the FIRST PARTY liable for any costs, claims, or expenses.
- 11.6 We both guarantee that we are in good standing under Philippine laws and have full power and authority to contract with each other for the Goods/Services. The persons signing this document guarantee that they are authorized to do so in behalf of their respective principals.
- 11.7 We both represent and warrant that our business activities are regulated by our own internal business rules or Corporate Governance policies ("CG Policies") which are compliant with Laws.
 - 11.7.1 As a condition precedent to the execution of this Agreement, we agree to provide or discuss with each other our respective CG Policies to ensure that entering into this Agreement will not conflict with, violate or contravene such CG Policies.
 - 11.7.2 We agree to comply with our respective CG Policies, and in this connection, we shall: (a) advise or inform each other about any violation, whether actual or potential, by any person of such CG Policies in relation to this Agreement; (b) address or resolve such violation in accordance with the relevant CG Policies; and, (c) inform the other party of the action taken thereon. In the event that this Agreement is later found to be violative of the CG Policies of either party, we shall negotiate in good faith to amend and revise this Agreement to make it compliant with the CG Policies found to have been violated.
- 11.8 It is clearly understood by the Parties that this Agreement is purely civil and/or commercial in nature and character. Nothing in this Agreement shall be interpreted as creating an employer-employee relationship between the FIRST PARTY on one hand, and the SECOND PARTY and/or the latter's employees, agents, representatives, or any person working in its behalf on the other hand. Nothing herein shall constitute or be deemed to constitute a joint venture, agency, or partnership between the FIRST PARTY and SECOND PARTY, and neither party shall hold itself out, or allow itself to be held out, as a joint venture, agent, partner or employer of the other.
- 11.9 In case of dispute, we agree to work together in good faith to resolve the matter prior to resorting to litigation. If FIRST PARTY is compelled to bring legal action to enforce its rights, FIRST PARTY will be entitled to recover attorney's fees equivalent to at least twenty five per cent (25%) of the amount claimed, plus litigation expenses. Venue of litigation will be Muntinlupa City, to the exclusion of all other courts.
- 11.10 No exception to these Terms and Conditions will be made or implied unless specifically stated in the PO.

---NOTHING FOLLOWS---