

**Bauan International Port, Inc. (the
“Company”) PURCHASE ORDER: TERMS
AND CONDITIONS**

1. The Purchase Order (“P.O.”) is prepared by the **COMPANY** in accordance with the **SUPPLIER’s** (or seller, contractor, vendor, SUPPLIER etc., as the case may be) quotation and the full quantity/lot mentioned should be filled/completed at the prices within the need-by date stipulated. All the terms in the P.O. are deemed integrated herein and vice-versa.
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 COMMENCEMENT/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 provision more advantageous to the COMPANY shall prevail, unless a contrary interpretation is expressly stipulated in the formal agreement.
4. Prices reflected in the P.O. are **value added tax (VAT)-inclusive**. The VAT, when applicable, should be included in the Original Invoice as a separate line item, unless stated in the agreed P.O. Incoterm. 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
 1. **Batangas**
*Bauan International Port,
Inc. Bauan-Mabini
National Road, Brgy. San
Roque, Bauan Batangas
4201, Philippines*
 - Receiving time is from 8:00a.m. to 5:00p.m., Mondays to Saturdays, except for emergencies identified by the Procurement Officer. BIPI/ICTSI’s Security Personnel will not allow deliveries direct to the end users, unless pre-arranged with and approved by the Procurement Officer.
 2. **Metro Manila**
*International Container Terminal Services, Inc.
(ICTSI) Materials Management Section (MMS)
G/F Engineering Building
Manila International Container
Terminal MICT South Access Road,
Manila Philippines 1012*
 - Receiving time is from 8:00a.m. to 5:00p.m., Mondays to Saturdays, except for emergencies identified by the Procurement Officer. ICTSI’s Security Personnel will not allow deliveries direct to the end users, unless pre-arranged with and approved by the Procurement Officer.
 - Delivery Receipts must be forwarded to MMS upon delivery of the Materials.

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

The SUPPLIER must indicate the P.O. No. and the name of the COMPANY'S 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 BIPI Procurement Officer InCharge (blucero@ictsi.com & rfedelino@ictsi.com).
- Requiring bonds: hard copy of invoices and supporting documents (i.e., bonds) must be submitted to Admin & Procurement Section:

Main Point of Contact (POC) : Ms. Belle D. Lucero, Admin. & Procurement Asst. Mgr.

*Alternate POC : Ms. Rhodora Fedelino, Admin Staff
Location / Address : Accounting Department, G/F ICTSI Admin. Building.,
MICTSouth Access Road, Port of Manila, Manila 1012, Philippines*

- Progress Billing
 - Forward original hard copy invoices and supporting documents directly to Procurement Section for payment processing.
- PT 7, 15 or 30 Days
 - Forward original hard copy invoices directly to Procurement Section for payment processing.

b) Foreign Orders (Services; Subscriptions)

- All Tax Invoices (for payment): e-copy and hard copy (if applicable) to Procurement Section

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 ICTSI Global Procurement Department (c/o Import/Export Coordinator), Administration Building (not to the end user). E-mail advance copy to globalprocurement@ictsi.com.
- All Tax Invoices (for payment): e-copies and hard copies (if applicable) to Procurement Section.

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 baselinedate 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 ICRS are pre-requisites to payment. The date of successful P.O. Flip or the receipt of the hard copy invoice by ICRS, 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 ICRS e-mail. Baselinedate 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 ICRS.* 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), Cost, Insurance and Freight (CIF), or Delivered Duty Unpaid (DDU) Incoterms**, 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.* 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 spare parts, accessories, and supplies from other suppliers.
 11. The COMPANY reserves the right to require the SUPPLIER 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 to Metro Manila intended for the COMPANY (for indent materials), delivery to the COMPANY (for local materials), and completion of project (for services) must be made **timely and on or before the P.O. need-by date**, 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 12% VAT-inclusive 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 MMS's inspection and approval at a reasonable time after delivery to ICTSI-MICT (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 and/or undelivered portion** of the P.O. 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 for the fulfilled/completed deliveries as of date of cancellation are payable by the COMPANY to the SUPPLIER:
 - a) For any cause, unless expressly excluded by the Parties;
 - b) In case of material breach by the SUPPLIER including delay; and/or
 - c) 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, works, or other items covered by b 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 VAT-inclusive contract sum for breach or default by the SUPPLIER of any of its obligations.

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 and solely be responsible for 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. The COMPANY may, at any time, undertake an audit of the SUPPLIER's performance of its obligations under this Agreement to ensure that the SUPPLIER, its employees and agents are compliant with this Clause.
19. **BIPI/ICTSI Policy Commitment.** The SUPPLIER shall comply with the COMPANY's company 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 ICTSI's latest (i) **Code of Business Conduct**; (ii) **Procurement Guidelines**; (iii) **Global Principles on Human Capital**; and (iv) other applicable ICTSI Policies. The SUPPLIER agrees to inform each of its concerned employees 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 works/services, if any, in the Company premises safely so as to protect person and property based on applicable laws as well as the Health, Safety, and Environment (HSE) Policies of the ICTSI Group. 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. **Confidentiality and Data Protection.** The SUPPLIER acknowledges that by reason of its business relationship with the COMPANY, it may have access to Confidential Information of the COMPANY, the value of which would be impaired if such information were disclosed to third parties. The SUPPLIER hereby agrees that it shall not use in any way for its own account or the account of any third party, nor disclose to any third party, any Confidential Information of the COMPANY during the duration as well as after the termination or expiration of this Agreement. "Confidential Information" shall mean the proprietary, confidential, or trade secret information or know-how belonging to the COMPANY or which the COMPANY is under an obligation to maintain as confidential, whether or not it is in written or permanent form. Confidential Information shall include, without limitation, technical and business information relating to the COMPANY's services and products, research and development, finances, customers, marketing, production, and future business plans. The SUPPLIER shall ensure that it complies with the Data Privacy Act and with the COMPANY's data privacy and protection policies.
24. 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.
25. 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.
26. 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.
27. 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**.

ICTSI SHIPPING INSTRUCTIONS

Kindly use the following information as applicable:

FOR ALL INDENT ORDERS (ANY INCOTERM)

a. Consignee Details:

Consignee Name:

INTERNATIONAL CONTAINER TERMINAL SERVICES, INC.

Consignee Address:

ICTSI Admin. Bldg, South Access
Road, MICT Complex, North Harbor,
Manila 1012, Philippines

Tel. No.: (632) 8245-2217

Fax No.: (632) 8245-2232

b. Shipping Documents: Applies to regular importation and warranty parts

Please send DRAFT shipping documents (Commercial Invoice, Packing List, AWB or B/L, brochure and appropriate Certificate of Origin*, if applicable) to Global Procurement Department

(globalprocurement@ictsi.com), Ms. Katy Abuan (kabuan@ictsi.com) and Ms. Girlie Culanay (tculanay@ictsi.com) for review and approval **PRIOR** to ship out to avoid potential delays in Customs clearing.

See below details which must be reflected in each shipping document:

i. Commercial Invoice:

- Consignee Name
- Consignee Address

Attn: Girlie Culanay/Katy Abuan
 Email Address: globalprocurement@ictsi.com
 Contact No.: (632) 8245-2217

- Notify Party
 - o Same as Consignee
- INCOTERMS must be indicated
- Description of Commodity
 - o Must be specifically described (no abbreviation) and indicate HS CODE
 - o **Use the description of goods indicated in the PO**
- Declared Value
 - o Invoice value must be same with PO amount
 - o For warranty parts:
 - Value must be true and correct amount
 - Do not indicate the phrase "Value for Customs Purposes only"
- If CFR, CIF, DAP or DDP, show cost break down

Cost	
Insurance	
Freight	
Total Amount in PO/Invoice	

ii. Brochure

- **Send brochure/technical specifications/picture for each item for customs clearance purpose. If not applicable, kindly answer the ff:**
 - o **WHAT IS IT?**
 - o **WHAT IS IT MADE OF?**
 - o **WHAT IS IT USED FOR?**

Note: Failure to provide brochure causing storage charges per day will be chargeable to supplier's account.

iii. Packing List

- Consignee Name
- Consignee Address

Attn: Girlie Culanay/Katy Abuan
 Email Address: globalprocurement@ictsi.com
 Contact No.: (632) 8245-2217

- Description of goods
- Number of boxes/packages
- Dimension must be in cm
- Net/Gross Weight in kilograms, or in cubic meter (cbm) - applicable for **LCL, FCL (containerized) and in-bulk shipment.**
- If the goods are in wooden pallets/crates – fumigation certificate must be secured prior to shipment.
- If breakbulk cargo – secure “Load Port Survey Report” prior to shipment.

iv. Airway Bill / Bill of Lading

- Consignee Name
- Consignee Address

Attn: Girlie Culanay/Katy Abuan
 Email Address: globalprocurement@ictsi.com
 Contact No.: (632) 8245-2217

- Notify Party
 - o Same as Consignee
- HS CODE must be indicated
- Marks & Numbers
 - o ICTSI
 PO# _____
- Port of Discharge (applicable only for SEA Shipment)
 - o MICT MANILA NORTH PORT, PHILIPPINES

Note: Port of Discharge **MUST** be “**MICT MANILA NORTH PORT, PHILIPPINES**”.
 Otherwise, all duties and taxes, brokerage, local delivery and other incidental charges brought about using wrong port shall be fully chargeable to Shipper/Supplier.

v. Certificate of Origin:

- Consignee Name
- Consignee Address

Attn: Girlie Culanay/Katy Abuan
 Email Address: globalprocurement@ictsi.com
 Contact No.: (632) 8245-2217

- Notify Party:
 - o Same as Consignee
 - Description of Commodity, Invoice Date, Invoice No., Invoice Amount and HS CODE should match with those indicated in the invoice provided by supplier.
 - If shipper has a third-party invoicing, kindly tick the third-party invoicing BOX#13

***Required Certificate of Origin:**

- Form E if coming from China
- Form D if coming from Singapore, Malaysia, and Thailand
- Form AKFTA if coming from Korea
- Form JPEPA if coming from Japan
- Form AANZFTA if coming from Australia
- Form AIFTA if coming from India

c. Original Shipping Documents:

Please courier the final approved original shipping documents (Commercial Invoice, Packing List, AWB or B/L, Appropriate Certificate of Origin, if applicable - original and triplicate copies) to:

International Container Terminal Services, Inc.
2nd floor - West Wing Procurement Department
ICTSI Admin. Bldg, South Access Road,
MICT Complex, North Harbor,
Manila 1012, Philippines

Attention: Ms. Girlie Culanay/Ms. Katy Abuan

d. Philippine Government Permits

Some items need government permits **prior to shipment**. An example of this are items which emit radio signal where ICTSI needs to secure an appropriate permit from the National Telecommunications Commission (NTC) and other government agencies. Brochures and other supporting documents may be required from the Supplier. Kindly coordinate closely with our Logistics Team -- Ms. Katy Abuan (kabuan@ictsi.com) and Ms. Girlie Culanay (tculanay@ictsi.com), and loop in Global Procurement Department (globalprocurement@ictsi.com).

2.) FOR EX-WORKS, FOB, FAS OR FCA

Please send DRAFT Commercial Invoice, Packing List and brochure, as well as shipment pick up details (i.e. complete company name, address with postal code, contact person and contact number). to Global Procurement Department (globalprocurement@ictsi.com), Ms. Katy Abuan (kabuan@ictsi.com) and Ms. Girlie Culanay (tculanay@ictsi.com) immediately for assignment of forwarder.

3.) FOR CFR, CIF, DAP, DDP

Please send DRAFT Shipping documents (AWB/BL, Commercial Invoice, Packing List and brochure) following the above shipping instruction.

Note:

- Kindly wait for further advise prior to finalizing shipping documents.
- 6-Character HS CODE is required in the cargo description in compliance with CMO 48-2019. Penalty of noncompliance will be PHP 100,000.00 (USD1,900) to PHP 300,000.00 (USD 5,660).

**-NOTHING
FOLLOWS-**