

FAR EAST ADVANCE PLASTICS CORPORATION

GENERAL TERMS AND CONDITIONS FOR THE SALES OF PRODUCTS OR SERVICES

NOTICE: Sale of any Products or Services is expressly conditioned on Buyer's assent to these Terms and Conditions. Any acceptance of Seller's offer is expressly limited to acceptance of these Terms and Conditions and Seller expressly objects to any additional or different terms proposed by Buyer. No Buyer shall modify these Terms and Conditions, nor shall any course of performance, course of dealing, or usage of trade operate as a modification or waiver of these Terms and Conditions. Any order to purchase products or receive services shall constitute Buyer's assent to these Terms and Conditions. Unless otherwise specified in the quotation, Seller's quotation shall expire fifteen (15) days from its date and may be modified or withdrawn by Seller before receipt of Buyer's conforming acceptance.

I. DEFINITIONS

"Buyer" means the entity to which Seller is providing Products or Services under the Contract.

"Contract" means either the contract agreement signed by both parties, or the purchase order signed by Buyer and accepted by Seller in writing, for the sale of Products or Services, together with these Terms and Conditions, Seller's final quotation, the agreed scope(s) of work, and Seller's order acknowledgement. In the event of any conflict, the Terms and Conditions shall take precedence over other documents included in the Contract.

"Contract Price" means the agreed price stated in the Contract for the sale of Products and Services, including adjustments (if any) in accordance with the Contract.

"Products" means the equipment, parts, materials, supplies, and other goods Seller has agreed to supply to Buyer under the Contract.

"Seller" means Far East Advance Plastic Corporation ("FEAPC").

"Services" means the services Seller has agreed to perform for Buyer under the Contract.

"Terms and Conditions" means these "General Terms and Conditions for the Sale of Products or Services", together with any modifications or additional provisions specifically stated in Seller's final quotation or specifically agreed upon by Seller in writing.

II. QUOTATION VALIDITY AND QUANTITY

- A. This quotation is valid for fifteen (15) days only unless otherwise stated on the official Sales Quotation.
- B. Full payment is required for made to order and special fabrication orders such as Durapipe Fittings and Manholes, Durapipe special lengths, Durawall special lengths, Durarroof Special lengths.

- C. All materials are subject to availability.
- D. Buyer shall purchase the Products and, if applicable, shall pay for the services provided, from Seller at the Contract Price. Prices are subject to change without prior notice and Seller shall thereafter notify Buyer of any price increases. In the event of a price increase, Buyer may cancel any undelivered portion of any order by written notice to Seller, provided such notice is received by Seller not more than ten (10) days after Buyer's receipt of Seller's notice of price increase. Upon cancellation, Buyer shall pay Seller: (1) the Contract Price for all Products which have been completed or are in the process of completion, (2) components or goods secured by Seller from outside sources for the performance of the Contract, and (3) special tooling and equipment procured for the performance of the Contract. All prices shall be confidential and Buyer shall not disclose such prices to any unrelated party.
- E. All Contract Prices are exclusive of all sales, use and excise taxes, and any other similar taxes, duties and charges of any kind imposed by any governmental authority on any amounts payable by Buyer. Buyer shall be responsible for all such charges, costs and taxes; provided, that, Buyer shall not be responsible for any taxes imposed on, or with respect to, Seller's income, revenues, gross receipts, personnel or real or personal property or other assets.
- F. The Contract Price excludes shipping and handling charges, which are the obligation of Buyer and will be added to the invoice if prepaid by Seller.

III. PAYMENT TERMS

- A. For prepaid accounts, all on hand items in the warehouse are to be paid 100% by the client before delivery to the site. No delivery of items will be approved without 100% payment has been settled and cleared.
- B. Other than prepaid, production and delivery will only commence only after receiving the Downpayment. The quantity of production and delivery should only equal to the value of the received downpayment.
- C. All check payments are to be made to **FAR EAST ADVANCE PLASTICS CORP.** and shall be subject to bank's clearing period prior to delivery.
- D. The client shall shoulder fee/s that may occur from any required gate pass or work permit/s during the delivery.
- E. Buyer shall pay interest on all late payments at the lesser of the rate of 1.5% per month or the highest rate permissible under applicable law, calculated daily and compounded monthly. Buyer shall reimburse Seller for all costs incurred in collecting any late payments, including, without limitation, attorneys' fees and court costs. In addition to all other remedies available under these Terms and Conditions or at law (which Seller does not waive by the exercise of any rights hereunder), Seller shall be entitled to suspend

the delivery of any Products if Buyer fails to pay any amounts when due hereunder and such failure continues for thirty (30) days following written notice thereof.

- F. Buyer shall not withhold payment of any amounts due and payable by reason of any set-off of any claim or dispute with Seller, whether relating to Seller's breach, bankruptcy or otherwise.
- G. If Buyer disputes any invoice or portion thereof, it shall notify Seller in writing within thirty (30) days of receipt of said invoice, detail the reason for the dispute, and pay all undisputed amounts. All charges not timely disputed in writing shall be deemed to be undisputed and shall be due and payable as set forth above.

IV. DELIVERY DETAILS

- A. Order will not be processed without the following details:
 - i) Delivery schedules (staggered delivery dates are also accepted)
 - ii) Authorized Recipient information (Authorized name and contact information)
 - iii) Delivery address (must be verified by account officer)
- B. For shipments that do not involve export Seller shall deliver Products to Buyer F.O.B. shipping point - warehouse of Seller. For export shipments, Seller shall deliver Products to Buyer EXW Seller's facility or warehouse (Incoterms 2010). Buyer shall pay all delivery costs and charges or pay Seller's standard shipping charges plus handling. Partial deliveries are permitted. Seller may deliver Products in advance of the delivery schedule. Delivery times are approximate and are dependent upon prompt receipt by Seller of all information necessary to proceed with the work without interruption. If Products delivered do not correspond in quantity, type or price to those itemized in the shipping invoice or documentation, Buyer shall so notify Seller within ten (10) days after receipt.
- C. For shipments that do not involve export, title to Products shall pass to Buyer upon delivery in accordance with Section IV(B). For export shipments from a Seller facility or warehouse outside the Philippines, title shall pass to Buyer upon delivery in accordance with Section IV(B). For shipments from the Philippines to another country, title shall pass to Buyer immediately after each item departs from the territorial land, seas and overlying airspace of the Philippines. The 1982 United Nations Convention of the law of the Sea shall apply to determine the Philippines territorial seas. For all other shipments, title to Products shall pass to Buyer the earlier of (i) the port of export immediately after Products have been cleared for export or (ii) immediately after each item departs from the territorial land, seas and overlying airspace of the sending country. When Buyer arranges the export shipment, Buyer will provide Seller evidence of exportation acceptable to the relevant tax and custom authorities.

- D. Risk of loss shall pass to Buyer upon delivery pursuant to Section IV(B), except that for export shipments from the Philippines, risk of loss shall transfer to Buyer upon title passage.
- E. If any Products to be delivered under this Contract cannot be shipped to or received by Buyer when ready due to any cause attributable to Buyer, Seller may ship the Products to a storage facility, including storage at the place of manufacture or repair, or to an agreed freight forwarder. If Seller places Products into storage, the following apply: (i) title and risk of loss immediately pass to Buyer, if they have not already passed, and delivery shall be deemed to have occurred; (ii) any amounts otherwise payable to Seller upon delivery or shipment shall be due; (iii) a fee of two percent (2%) of the value of the Products will be charged to Buyer; and (iv) when conditions permit and upon payment of all amounts due, Seller shall make Products and repaired equipment available to Buyer for delivery.
- F. Any liability of Seller for non-delivery of the Products shall be limited to replacing the Products within a reasonable time or adjusting the invoice respecting such Products to reflect the actual quantity delivered.
- G. Unloading of items is the responsibility of the buyer.
- H. Standard Lead time for delivery will be 2 weeks from the date of PO Confirmation. Account officer will provide the customer with SO (Sales Order) number to be used as reference for the order. The lead time for delivery will apply for Metro Manila orders.
- I. Standard freight charges will apply, in special delivery locations FEAPC will provide estimate to BUYER subject to their final confirmation.
- J. Postponement of delivery can be done 24 hours before scheduled delivery date and time. Penalty of PHP15,000.00 or the amount of freight charge for the sales order or whichever is higher will be imposed to customer if not informed earlier.
- K. Delivery time will be from 8AM-5PM. Its not the responsibility of the seller to inform what specific time items will be delivered.
- L. Deliveries made after truck ban are subject to approval. Estimated time of departure from plant for these deliveries are midnight.
- M. No delivery on Sundays and holidays.
- N. The Buyer upon acceptance in the site must inspect all materials. Any claim of shortage, damage, or other deficiencies must be made at delivery or, if not delivered, at pick-up or are waived by the client.
- O. In case of instances when there is no individual who will accept and receive the goods on the allowed delivery date and time, freight charge will be imposed on the next delivery schedule no matter where the site will be.

V. STORAGE FEE

- A. Due to constraints in the warehouse area, a storage fee of Php 3,000 will be charged daily to the client if the items will be stored in the warehouse more than seven (7) days from original scheduled delivery date.
- B. Storage fee should be settled and cleared prior to delivery or release of items.
- C. Maximum allowable storage duration is 15 days from the agreed delivery date. Upon expiration of maximum allowable storage duration, Items will be transferred to a secondary storage facility which will incur additional mobilization charges on top of the storage fee.

VI. CANCELLATION OR RESCHEDULING

- A. FAR EAST ADVANCE PLASTICS CORP. (FEAPC) may at its option reschedule delivery or cancel this Sales Agreement should BUYER fail to accept previously scheduled deliveries, or to pay conditions of this Sales Agreement.
- B. Buyer may cancel its order only with the prior written consent of Seller, which Seller may withhold in its sole discretion. All cancellations will be subject to payment to Seller of reasonable and proper cancelation charges. Buyer may return Products only at its sole cost and only with the prior written authorization of Seller, subject to a restocking fee as agreed by the parties. No returns of special, custom, or made-to-order Products will be permitted. No returns will be permitted more than sixty (60) days after delivery.
- C. This Sales Agreement may not be modified. Any modifications requested by BUYER shall be considered a new negotiation whereby the existing Sales Agreement shall be deemed cancelled and a new Sales Agreement open for negotiation between parties. Provided, however, that no items / goods have been manufactured / produced by FEAPC pursuant to the order of BUYER at the time request for modification is made by the BUYER, in which case the BUYER shall be liable to pay FEAPC the cost of such manufactured items / goods. Except to this extent, FEAPC shall not be liable under nor bound to any provision of the old Sales Agreement and it reserves the right to accept or reject the new Sales Agreement.
- D. Cancellation of Made to Order, special items / fabricated items are not allowed
- E. For regular items, the Sales Agreement may be canceled or withdrawn by the BUYER provided the cancellation or withdrawal is made within 24 hours from the date hereof and provided further that the items / goods subject hereof were not manufactured/produced by Atlanta pursuant to the order of the BUYER. If any cancellation / withdrawal is made in violation hereof the BUYER must (a) pay FEAPC 15% of the contract price; (b) forfeit his/her advance payment, if any; (c) pay FEAPC the full amount of the items / goods / already manufactured / produced by FEAPC at the

time cancellation / withdrawal, whichever is higher, as penalty and / or liquidated damages

VII. SELLER'S LIMITED LIABILITY

- A. Liability of FEAPC is limited to replacement of delivered items if these are found to be outside FEAPC'S specifications, provided (a) FEAPC receives prior notice from BUYER within thirty (30) days of receipt of the defective items; (b) BUYER returns the defective items to FEAPC within 30 days receipt thereof.
- B. IN NO EVENT SHALL SELLER BE LIABLE TO BUYER OR ANY THIRD PARTY FOR ANY LOSS OF USE, REVENUE OR PROFIT OR DIMINUTION IN VALUE, OR FOR ANY CONSEQUENTIAL, INDIRECT, INCIDENTAL, SPECIAL, EXEMPLARY, OR PUNITIVE DAMAGES WHETHER ARISING OUT OF BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE) OR OTHERWISE, REGARDLESS OF WHETHER SUCH DAMAGES WERE FORESEEABLE AND WHETHER OR NOT SELLER HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, AND NOTWITHSTANDING THE FAILURE OF ANY AGREED OR OTHER REMEDY OF ITS ESSENTIAL PURPOSE.
- C. IN NO EVENT SHALL SELLER'S AGGREGATE LIABILITY ARISING OUT OF OR RELATED TO THIS CONTRACT, WHETHER ARISING OUT OF OR RELATED TO BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE) OR OTHERWISE, EXCEED THE TOTAL OF THE AMOUNTS PAID TO SELLER FOR THE PRODUCTS SOLD HEREUNDER OR, AS TO SERVICES, FOR THE AMOUNTS PAID TO SELLER FOR SERVICES PERFORMED HEREUNDER.
- D. This limitation of liability is a material basis for the parties' bargain and reflects the bargained-for allocation of risks between Seller and Buyer, without which Seller would not have agreed to provide the Products or services at the price charged.

VIII. FORCE MAJEURE

- A. Seller shall not be liable or responsible to Buyer, nor be deemed to have defaulted or breached this Contract, for any failure or delay in fulfilling or performing any term of this Contract when and to the extent such failure or delay is caused by or results from acts or circumstances beyond the reasonable control of Seller including, without limitation, acts of God, pandemic, flood, fire, earthquake, explosion, governmental actions, war, invasion or hostilities (whether war is declared or not), terrorist threats or acts, riot, or other civil unrest, national emergency, revolution, insurrection, epidemic, lockouts, strikes or other labor disputes (whether or not relating to either party's workforce), or restraints or delays affecting carriers or inability or delay in obtaining supplies of adequate or suitable materials, materials or telecommunication breakdown or power outage.

- B. FEAPC may at its option in case of situation herein, elect to: (a) cancel BUYER'S order or any part thereof; or (b) postpone and reschedule the delivery schedule.

IX. TITLE AND RISK OF LOSS

- A. Goods travel at the buyer's risk, even when rendered to the final destination. FEAPC'S responsibility ceases upon the consignment being taken over by buyer's transporter or servant.
- B. Title and risk of loss passes to Buyer pursuant to the terms of Article IV. As collateral security for the full payment of the purchase price of the Products, Buyer hereby grants to Seller a lien on and security interest in and to all of the right, title and interest of Buyer in, to and under the Products, wherever located, and whether now existing or hereafter arising or acquired from time to time, and in all accessions thereto and replacements or modifications thereof, as well as all proceeds (including insurance proceeds) of the foregoing.
- C. Seller shall have the right to file any and all documents and take any action it deems necessary to fully establish protection of its security interest in the Products; however, the failure of Seller to file any such document shall not in any way act as a waiver of Seller's right to such security interest.

X. SPECIAL PACKAGING REQUIREMENT

- A. Prices herein include FEAPC'S standard domestic packaging system. The cost of any other special packaging as required by the BUYER shall be borne by the BUYER.

XI. DISCLAIMER OF WARRANTY

- A. Seller warrants that all products manufactured by Seller shall, at the time of sale, comply with applicable Seller specifications. All products not manufactured by Seller are sold only with the warranties provided by the manufacturer of products, if any. SELLER MAKES NO OTHER WARRANTY WITH RESPECT TO THE PRODUCTS, AND DISCLAIMS ANY AND ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. Seller personnel are not authorized to alter this disclaimer of warranty.
- B. All Products are sold for commercial use only and are not intended for use by consumers. Any inspection services provided by Seller at Buyer's request shall be provided as a customer service only and shall not be deemed to act as a warranty or approval of Buyer's installation, use, or maintenance of the Products, nor shall Seller be liable for failure to detect improper use, installation or maintenance of the Products by Buyer.

XII. INDEMNIFICATION

- A. Subject to Article VII hereof, each of Buyer and Seller (as an “Indemnifying Party”) shall indemnify the other party (as an “Indemnified Party”) from and against claims brought by a third party, on account of personal injury or damage to the third party’s tangible property, to the extent caused by the negligence of the Indemnifying Party in connection with this Contract.
- B. In the event the injury or damage is caused by joint or concurrent negligence of Buyer and Seller, the loss or expense shall be borne by each party in proportion to its degree of negligence. For purposes of Seller’s indemnity obligation, no part of the Products is considered third party property.

XIII. INTELLECTUAL PROPERTY RIGHTS

- A. Seller is unable to guarantee that no patent rights, copyrights, trademarks, (user) rights, trade models or any other rights of third-parties are infringed by goods received from suppliers and/or buyers via Seller or third-parties via them, including but not limited to goods, models and drawings for the manufacture and/or delivery of certain Products.
- B. In the absence of written agreement to the contrary, Seller holds the copyrights and all rights of (industrial) property to the offers it has made and the designs, images, drawings (test) models, software, templates and other goods that it has issued.

XIV. COMPLIANCE WITH LAWS

- A. Seller shall take reasonable steps to ensure the Products are in conformity with applicable laws and regulations; however, Buyer acknowledges that Products may be used in various jurisdictions for various applications subject to disparate regulations and therefore that Seller cannot warrant compliance with all applicable laws and regulations. Seller disclaims any representation or warranty that the Products conform to federal, state or local laws, regulations, ordinances, codes or standards, except as expressly set forth by Seller in writing. Buyer shall comply with all applicable laws, regulations and ordinances. Seller may terminate this Contract if any governmental authority imposes antidumping or countervailing duties or any other penalties on Products.
- B. The products, items, technology or software covered by a quotation/order may be subject to various laws. Seller is committed to complying with all relevant export laws. Buyer is responsible for applying for export licenses, if required, based on end user or country of ultimate destination. Seller’s obligations are conditioned upon Buyer’s compliance with all Philippine and other applicable trade control laws and regulations. Buyer shall not trans-ship, re-export, divert or direct Products other than in and to the ultimate country of destination declared by Buyer and specified as the country of ultimate destination on Seller’s invoice. Buyer agrees to

indemnify and hold Seller harmless from any and all costs, liabilities, penalties, sanctions and fines related to non-compliance with applicable export laws and regulations.

- C. Buyer represents and warrants that it is not subject to any trade sanctions imposed by any country and that it is in compliance and shall comply with all applicable laws and regulations relating to trade restrictions and/or export controls with respect to Products sold hereunder, and shall provide evidence of compliance with the foregoing as Seller may reasonably request from time to time.

XV. TERMINATION

In addition to any remedies that may be provided under these Terms and Conditions, Seller may terminate this Contract with immediate effect upon written notice to Buyer, if Buyer: (i) fails to pay any amount when due under this Contract and such failure continues for thirty (30) days after Buyer's receipt of written notice of nonpayment; (ii) has not otherwise performed or complied with any of these Terms and Conditions, in whole or in part; or (iii) becomes insolvent, files a petition for bankruptcy or commences or has commenced against it proceedings relating to bankruptcy, receivership, reorganization or assignment for the benefit of creditors.

XVI. AMENDMENT AND MODIFICATION

These Terms and Conditions may only be amended or modified in a writing which specifically states that it amends these Terms and Conditions and is signed by an authorized representative of each party.

XVII. WAIVER

No waiver by Seller of any of the provisions of this Contract is effective unless explicitly set forth in writing and signed by Seller. No failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Contract operates, or may be construed, as a waiver thereof. No single or partial exercise of any right, remedy, power or privilege hereunder precludes any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

XVIII. CONFIDENTIAL INFORMATION

All non-public, confidential or proprietary information of Seller, including but not limited to specifications, samples, patterns, designs, plans, drawings, documents, data, business operations, customer lists, pricing, discounts or rebates, disclosed by Seller to Buyer, whether disclosed orally or disclosed or accessed in written, electronic or other form or media, and whether or not marked, designated or otherwise identified as "confidential" in connection with this Contract is confidential, solely for the use of performing this Contract and may not be disclosed or copied unless authorized in advance by Seller in writing. Upon Seller's request, Buyer shall promptly return all documents and other materials received from Seller. Seller shall be entitled to injunctive

relief for any violation of this Section. This Section does not apply to information that is: (a) in the public domain; (b) known to Buyer at the time of disclosure; or (c) rightfully obtained by Buyer on a non-confidential basis from a third party.

XIX. NOTICES

All notices, requests, consents, claims, demands, waivers and other communications hereunder (each, a "Notice") shall be in writing and addressed to the parties at the addresses set forth on the face of the Contract or to such other address that may be designated by the receiving party in writing. All Notices shall be delivered by personal delivery, nationally recognized overnight courier (with all fees pre-paid), EMAIL, facsimile (with confirmation of transmission) or certified or registered mail (in each case, return receipt requested, postage prepaid). Except as otherwise provided in this Contract, a Notice is effective only (a) upon receipt of the receiving party, and (b) if the party giving the Notice has complied with the requirements of this Section.

XX. SEVERABILITY

If any term or provision of this Contract is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Contract or invalidate or render unenforceable such term or provision in any other jurisdiction.

XXI. COMPLETE AGREEMENT

These General Terms and Conditions constitute the entire agreement between Buyer and Seller relating to the subject matter hereof, and supersede all prior and contemporaneous discussions, understandings, and agreements related to the subject matter hereof.

Prepared By:

Approved By:

Conformed By:

FEAPC Account Officer

FEAPC Sales Manager

Customer

Date Signed: