

Terms of Sale

(1) Contract - All quotations given and orders accepted by Mactan Steel Center, Inc. (MSCI) are subject to the following terms and conditions. Any variation of these conditions contained in the Purchaser's order or subsequent correspondence shall have no force and effect unless specifically accepted by MSCI in writing. Any quotation made by MSCI shall constitute an invitation to the Purchaser to make an offer on the terms set out therein, and all the quotations are made subject to alternation/withdrawal by MSCI without notice. A contract (the "Contract") for sale and purchase of the material (the "Material") shall be validly formed between the Purchaser and MSCI upon issuance of an order confirmation by MSCI against a purchase order from the Purchaser, pursuant to the terms and conditions below.

(2) Delivery and Payment - Purchaser must take deliveries of any and all Materials ordered within 1 month after order confirmation. Payment terms shall be as indicated in the quotation or order confirmation.

(3) Risk, Warranty and Claim – Risk of loss of and damage to the Material shall pass to the Purchaser upon delivery of the same to a carrier. If the parties agree to specifications applicable to the Material, MSCI warrants that the Material supplied under the Contract meet the agreed specifications (including tolerance on dimension), which shall be the sole and exclusive warranty. Otherwise, MSCI makes no other representation, warranty or condition, expressly or impliedly, as to the quality or fitness for any particular purpose of the Material. If any condition or warranty is specifically agreed, MSCI's liability shall be limited to replacement or repair of the defective Material at MSCI's discretion, which shall be the Purchaser's sole remedy. The Purchaser shall inspect the Material on delivery and shall within thirty (30) days from delivery notify MSCI in writing of any alleged defect, shortage in quantity, damage, breach of warranty or any other failure to comply with the terms of the Contract. If the Purchaser fails to comply with these provisions all Material shall be conclusively presumed to be in accordance with the Contract and free from any defect or damage which would be apparent on a reasonable examination and the Purchaser shall be deemed to have accepted the Material. If the Purchaser wishes to reject any of the Material for not being in accordance with the Contract the Purchaser shall within the same period of thirty (30) days give notice in writing to MSCI. Rejection of the Material shall not be properly effected until MSCI confirms in writing that the Material is not in accordance with the Contract as alleged by the Purchaser.

(4) Default - In the event of (i) the Purchaser's failure to perform any provision of the Contract or any other contract with MSCI; (ii) the Purchaser's inability to pay its debts generally as they become due; (iii) the Purchaser being voluntarily or involuntarily the subject of proceedings under any bankruptcy or insolvency law, or other law or procedure for the relief of debtors; (iv) change of the control of the Purchaser which would in the reasonable judgment of MSCI materially and adversely affect the ability of the Purchaser to fulfill its obligations under the Contract; or (v) the Purchaser's cessation of its business or a substantial part of its business; (collectively "Events of Default"), MSCI shall have the right, at its sole discretion, by notice in writing to the Purchaser, to (i) terminate the Contract or any other contract with the Purchaser or any part thereof; (ii) declare all obligations of the Purchaser immediately due and payable; (iii) resell or hold the Material for the account of and at the risk of the Purchaser; and/or (iv) postpone the shipment or delivery of the Material, and the Purchaser shall reimburse MSCI for all expenses, losses or damages incurred and/or arising directly or indirectly from such Event of Default.

(5) Default Interest - If the Purchaser shall default in the payment of any sum or sums, whether in whole or in part, the Purchaser shall pay damages to MSCI for the said default with interest at a rate of one point five per cent (1.5%) per month of the total sum or sums due to MSCI accruing on a daily basis and based on a month of thirty (30) days commencing from the date such sum or sums become due for payment until fully paid.

(6) Ownership - Until MSCI is paid in full for all Material supplied including all debts owing to MSCI, ownership and rights over all Material and any new product manufactured from the Material, or from a mixture of Material with others (collectively, "New/Mixed Products"), whether completed or not completed, shall vest with MSCI. This vesting of ownership will be considered to have taken place through and at the moment of the single operation or event by which the Material is converted into or become constituent of New/Mixed Products. If payment of the purchase price is overdue in whole or in part, MSCI may recover and/or re-sell the Material and the New/Mixed Products, without need of court action. For this purpose, the Purchaser shall allow MSCI to enter the premises which the Purchaser occupies. MSCI shall not be responsible for any damage which may be incurred by the Purchaser in enforcing this right.

(7) Limitation - MSCI shall not be responsible, whether in contract or tort or on any other legal basis, to the Purchaser for any special, incidental, consequential, indirect or exemplary damages, loss of profit, loss of revenue, loss of use, loss of contract, loss of business, loss of goodwill, cost of downtime or replacement with substitute goods, nor any third party claims made against the Purchaser, whether or not MSCI was advised of the possibility of such loss or damages, and in no event shall MSCI's total liability under the Contract exceed the price of the Material under the Contract.

(8) Force Majeure - If the performance by MSCI of any of its obligations under the Contract is directly or indirectly affected or prevented by force majeure, including but not limited to Acts of God, flood, typhoon, earthquake, volcano eruption, tidal wave, fire, plague, epidemic, quarantine restriction, war declared or not or threat of the same, strike or other labor dispute, explosion, accident or breakdown in whole or in part of machinery or plant, governmental request, guidance, order or regulation, bankruptcy or insolvency of the manufacturer or supplier of the Material or primary material thereof, or any other causes or circumstances whatsoever beyond the reasonable control of MSCI, then MSCI shall not be liable for any loss or damage suffered or incurred by reason of or in connection with the failure of or delay in performing its obligations hereunder, and MSCI shall have the right, at its sole discretion, by notice to the Purchaser to extend the time of delivery of the Material, or terminate the Contract without any liability for the unfulfilled portion of the Contract to the extent so affected or prevented.

(9) Confidentiality - The Purchaser shall keep in strict confidence from any third party any and all matters concerning the business affairs and transactions of MSCI (including, without limitation, cost of raw materials, cost of production, selling price of finished goods, raw material inventory stock, list of customers, systems and procedure) except such matters as are forced to be disclosed by laws, regulations or orders of government authorities. The obligation hereunder shall survive for a period of 5 years after the business transaction under the contract is completed.

(10) General Terms - If any of the provisions herein are found to be void or unenforceable, such provision shall be deemed to be deleted herefrom and the remaining provisions herein shall continue in full force and effect. The rights and remedies of MSCI under any provision hereof are cumulative and in addition to the rights, powers and remedies MSCI may have under any other provision hereof, at law, in equity or otherwise. The failure of MSCI at any time to require full performance by the Purchaser of the terms hereof shall not affect the right of MSCI to enforce the same. The waiver by MSCI of any breach of any provision of the Contract shall not be construed as a waiver of any succeeding breach of such provision or waiver of the provision itself.

(11) Dispute - In case of any dispute arising out of or in connection with the Contract, the parties agree to submit to the exclusive jurisdiction of the appropriate court in Makati City.