Contract Agreement

THIS AGREEMENT made this __________ day of __________ between
GOVERNMENT ARSENAL, Camp General Antonio Luna, Limay, Bataan of the Philippines
(hereinafter called "the Entity") of the one part and NASHE ENTERPRISES of FB 27/28A, First
Basement Level, Makati Cinema Square, Chino Roces Avenue, Pio Del Pilar, Makati City
(hereinafter called "the Supplier") of the other part.

WHEREAS the Entity invited Bids for certain goods and ancillary services, viz.,
Procurement of 8,500,000 pieces – Small Pistol Primer, IB Nr. GA-BAC-2019DP-13 and has
accepted a Bid by the Supplier for the supply of those goods and services in the sum of
SIXTEEN MILLION FIVE HUNDRED SEVENTY FIVE THOUSAND PESOS
(PhP16,575,000.00) only (hereinafter called "the Contract Price").

* NOW THIS AGREEMENT WITNESSETH AS FOLLOWS:

1. In this agreement words and expressions shall have the same meanings as are
respectively assigned to them in the Conditions of Contract referred to.

2. The following documents shall be deemed to form and be read and construed as part of
this Agreement, viz.:

(a) Bid Form and the Price Schedule submitted by the Bidder;
(b) Schedule of Requirements;
(c) Technical Specifications;
(d) General Conditions of Contract;
(e) Special Conditions of Contract;
(f) Entity’s Notification of Award; and
(g) Supplemental Bulletin

3. In consideration of the payments to be made by the Entity to the Supplier as hereinafter
mentioned, the Supplier hereby covenants with the Entity to provide the goods and services and
to remedy defects therein in conformity in all respects with the provisions of the Contract.

4. The Entity hereby covenants to pay the Supplier in consideration of the provision of the
goods and services and the remedying of defects therein, the Contract Price or such other sum
as may become payable under the provisions of the contract at the time and in the manner
prescribed by the contract.

IN WITNESS whereof the parties thereto have caused this Agreement to be executed in
accordance with the laws of the Republic of the Philippines on the day and year first before
written.

Signed, sealed, delivered by:

DANIEL R CASABAR JR  
Director  
Government Arsenal

MS. MARY JANE N. ROXAS  
Proprietress  
Nashe Enterprises
ACKNOWLEDGEMENT

REPUBLIC OF THE PHILIPPINES
CITY OF BALANGA, BATAAN s.s.

BEFORE ME, a Notary Public for and in Balanga City, Bataan, Philippines, on this ______ day of _______ 2019 personally appeared:

DANIEL R. CASABAR JR  
TIN 120-449-129

MS. MARY JANE N. ROXAS  
Passport No. P6446555A

MR. EDMER Q. ANTOLIN  
Passport No. P2198055A

MS. ROWEENA G. BASA  
TIN 196-041-509

ATTY. ABEGAIL C. GABRIEL  
TIN 406-648-758

MS. ALLECHIAH D. CARREON  
TIN 432-710-749

known to me and to me known to be the same persons who executed the foregoing instrument and acknowledged to me that the same is their free and voluntary deed.

WITNESS MY HAND AND SEAL on the date and place above written:

Doc No. 64  
Page No. 4X
Book No. 2019

FLAVIANO I. AGUANTA  
NOTARY PUBLIC

UNTIL DECEMBER 31, 2019

BP O.R. 07023241-18-19
NOTICE TO PROCEED

10 JUL 2019
(Date)

MS. MARY JANE N. ROXAS
Proprietress
NASHE ENTERPRISES
FB 27/28A, First Basement Level,
Makati Cinema Square, Chino Roces Ave.,
Pio Del Pilar, Makati City

Dear Ms. Roxas,

The attached Contract Agreement having been approved, notice is hereby given to NASHE ENTERPRISES that work may commence for the supply and delivery 8,500,000 pieces Small Pistol Primer, under ITB # GA-BAC-2019DP-13 for the Government Arsenal, DND upon receipt of this notice provided that the specification will be strictly complied with during delivery.

Upon receipt of this notice, you are responsible for performing the services under the terms and conditions of the Agreement and in accordance with the Implementation Schedule.

Please acknowledge receipt and acceptance of this notice by signing both copies in the space provided below. Keep one copy and return the other to the Arsenal, DND.

Very truly yours,

[Signature]
DANIEL R CASABAR JR
Director

I acknowledge receipt of this Notice on
Name of the Representative of the Bidder
Authorized Signature

[Signature]
PURCHASE ORDER

GOVERNMENT ARSENAL

Supplier: NASHE ENTERPRISES  P. O. No.: 2019-06-148
Address: FB 27/28A, First Basement Level,  Date: June 28, 2019
         Makati Cinema Square, Chino Roces Avenue,  Mode of Procurement: Public Bidding
         Pio Del Pilar, Makati City
TIN: 106-094-115-000

Gentlemen:

Please furnish this Office the following articles subject to the terms and conditions contained herein:

Place of Delivery: Government Arsenal, Limay, Bataan, Philippines  Delivery Term: DAP. Camp General Antonio Luna,
Date of Delivery: Within one hundred fifty (150) calendar days  Lamboy, Limay, Bataan
                from the receipt of Notice to Proceed (NTP)

<table>
<thead>
<tr>
<th>Stock/ Property No.</th>
<th>Unit</th>
<th>Description</th>
<th>Qty</th>
<th>Unit Cost</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>SMALL PISTOL PRIMER</td>
<td>pc</td>
<td></td>
<td>8,500,000</td>
<td>P 1.95</td>
<td>16,575,000,00</td>
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1. Workmanship
   The primer must be free from the following visual defects: no anvil, no charge, double anvil, loose anvil, low anvil, high anvil, inverted / sidewise inserted anvil, crushed or mutilated anvil, cocked anvil, no foil, double or multiple foil, slipped foil, stained foil, stained / corroded metal components, loose composition, product scratch on cup, dented cup and other physical deformations or visual defects that may render the product unsuitable for use.

2. Visual and Dimensional Inspection Criteria
   A.) Sampling Plan shall be in accordance with ANSI/ASQ Z1.4-2003 using a Double Sampling Plan (Normal) and General Inspection Level II. The Acceptance Quality Limit (AQL) for Critical visual, Major and Minor defects shall be 0.01%, 0.04% and 1.5% respectively.
   B.) Table and classification of visual defects shall be in accordance with ORD-SIP-S314 (Visual Inspection Standards for Small Arms Ammunition Primer Defects).

3. Gaging
   Use Drawing No. NPC-301-03 as reference for dimension only.

4. Sensitivity Test (Rundown Method)
   **NATO**
   - Upper Limit, \( H + 5S = \leq 350\text{mm} \)
   - Lower Limit, \( H - 2S = \geq 75\text{mm} \)
   - Weight of steel ball = 55\(^{\circ}\) 0.5g

5. Function and Casualty Test
   The primers, when assembled into finished cartridges shall function without casualty.
<table>
<thead>
<tr>
<th>Description</th>
<th>Unit</th>
<th>Quantity</th>
<th>Amount</th>
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PEOS only

TOTAL AMOUNT IN WORDS: SIXTEEN MILLION FIVE HUNDRED SEVENTY-FIVE THOUSAND

PAYMENT TERMS:

PURPOSE: For assembly of ARM ammunition

REF: RP. No. 2019-02-01A. RP 2019 Page 2 D-1.8

BASES: Explosives Division

6. Manifestation Requirements:

The items must be manifested by a single

MANIFESTATION REQUIREMENTS

Purchased Order No. 2019-06-148

MANUFACTURING EMPRESES

NASE PR ENTERPRISES

Signed by the Director General of Explosives Division.