

ATN HOLDINGS, INC.

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January 24, 2018

**DISCLOSURE DEPARTMENT
PHILIPPINE STOCK EXCHANGE, INC.**

4/F PSE Center, Exchange Road
Ortigas Center, Pasig City

Attention: **J.V. B. ZUÑO III**
Head, Disclosure Department

Dear Mr. Zuño,

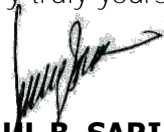
We would like to inform the Exchange that ATN Holdings, Inc. and ATN Philippines Solar Energy Group, Inc. has executed a Land Development Services Agreement, for a period of 5 years, with Frasec Ventures Corporation, for the **development of the Corporation's** 256 hectare property at Rodriguez, Rizal (Disclosure of Material Information), with an approximate contract value of Php 1.0 billion. The Land Development Services Agreement will support the construction of the rock crusher facility for removal of excess rock materials for project development of ATN Philippines Solar Energy Group, Inc.

The Contract between two parties will supply Mega Manila massive infrastructure and construction growth, requiring hi-quality construction aggregates urgently needed from quarry sites all over the country. Recently, President Rodrigo Roa Duterte issued Executive Order No. 30 s.2016 accelerating infrastructure spending which is consistent with the Philippine Development Plan 2017-2022 and the **"Build, Build, Build Program"** of the government aided by legislative approval through various laws on infrastructure, investments and taxation geared towards the development of the Philippines. Attached is specialized contractor Scanpacific latest progress report of the crusher plant in photos.

As a background, Frasec Ventures Corporation is a full-service contractor and developer in major cities and remote areas throughout the Philippines, using state-of-the-art equipment to utilize barren mountains into highly valuable and productive grounds. Frasec clientele includes major companies like Republic Cement Corp., Carmen Copper Corp., Mil-Oro Mining Corp., PGMC Group, and Pacemco.

Thank you.

Very truly yours,



PAUL B. SARIA
Corporate Information Officer

LAND DEVELOPMENT and QUARRY SERVICES CONTRACT

By and Among

ATN HOLDINGS, INC

ATNPILIPPINESSOLAR ENERGY GROUP, INC.

And

FRASEC VENTURES CORPORATION

EXECUTED ON 22JANUARY 2018

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LAND DEVELOPMENT SERVICES CONTRACT

THIS LAND DEVELOPMENT SERVICES CONTRACT (this “**Contract**”) is made and entered into this 22day of January2018 by and among:

- I. **ATN HOLDINGS INC.**, a company duly organized and existing under the laws of the Republic of the Philippines, with office address at 9th Floor Summit One Office Tower, 530 Shaw Boulevard, Mandaluyong City, Philippines, represented in this act by its President, Arsenio T. Ng (the “**LAND OWNER**”);
- II **ATN PHILIPPINES SOLAR ENERGY GROUP, INC.**, a company duly organized and existing under the laws of the Republic of the Philippines, with office address at 9th Floor Summit One Office Tower, 530 Shaw Boulevard, Mandaluyong City, Philippines, represented in this act by its President, Arsenio T. Ng (the “**COMPANY**”); and,
- III. **FRASEC VENTURES CORPORATION (“FRASEC”)**, a company duly organized and existing under the laws of the Republic of the Philippines, with office address at 4658 Poblacion Ward III, Tiber, Minglanilla, Cebu, Philippines, represented in this act by its President, Francis Gerard Canedo (the “**CONTRACTOR**”).

(each a “Party” and collectively, the “Parties”)

WHEREAS:

- A. The Philippines is experiencing an infrastructure and construction growth requiring various construction and aggregates sourced from various quarry sites all over the country;
- B. President Rodrigo RoaDuterte, accelerate infrastructure development, issued Executive Order No. 30 s.2016 accelerating infrastructure spending which is consistent with the Philippine Development Plan 2017-2022 and the “Build, Build, Build Program” of the government aided by legislative approval through various laws on infrastructure, investments and taxation geared towards the development of the Philippines;
- C. The **COMPANY**is the holder of a Land Development Permit with an Environmental Compliance Certificate number ECC-OL-R4A-2017-0414 over a property owned by the **LANDOWNER**, located in Brgy. Macabud, Rodriguez, Rizal evidenced by Transfer Certificates of Titles Nos. 463732 (the “Land Development Property”);
- D. The **COMPANY** intends to develop the site and requires the services of a contractor to handle the land development activities;
- E. The **COMPANY** has secured NEDA endorsement “recognizing the importance of the immediate operation of the ATN Solar Energy Group Inc. rock crusher plant for urgent rock demand of Metro Manila in view of the government’s target to accelerate infrastructure program which is consistent with the Philippine Development Plan 2017-2022”; and,

- F. The **CONTRACTOR** represents that it is technically and financially competent, capable and in the best position to provide the required services and is a legitimate contractor registered with the Department of Labor and Employment under Department Order No. 18-A, with Certificate of Registration No. VII-0715-CPFO-16 and renewed under Department Order No. 174-17.

NOW THEREFORE:

1. GENERAL PROVISIONS

1.1. Objective

The main objective of this contract is:(a) to support Executive Order No. 30 s.2016 of President Rodrigo Roa Duterte via accelerating infrastructure spending which is consistent with the Philippine Development Plan 2017-2022 and the “Build, Build, Build Program” of the government which is aided by legislative approval through various laws on infrastructure, investments and taxation geared towards the development of the Philippines; and (c) to engage the services of the **CONTRACTOR** who is a competent Land Development and Quarry Operator, to exclusively develop and extract andesite and basalt materials on the areas designated by the **COMPANY** as Quarry Phase 1, Phase 2, Phase 3 and future expansion areas (the “Quarry Areas”) within the Property of the **LANDOWNER** using all equipment required to achieve the forecasted volume (tonnage). The **CONTRACTOR** shall satisfactorily, promptly and efficiently perform and undertake the delivery and supply of andesite and basalt materials to the designated stockpile area or primary crusher of the **COMPANY**.

1.2. Term and Effectivity

This Contract shall be effective upon its signing and valid for a period of **FIVE (5) years** commencing on the start of operations, renewable upon mutual consent of all Parties. It is understood that during any suspension of operations by reason of any foreseeable or unforeseen circumstances, shall not be counted as part of the term of this Contract. Consequently, this Contract shall be automatically extended for a period equivalent to the number of days of suspension, without prejudice to the right of the **CONTRACTOR** provided in Section 10.2.

1.3. Permits, Licenses, Clearances and Periodic Reports

The **COMPANY** shall be responsible for securing all the necessary permits and licenses for the development and operation of the quarry, including for the production and sale of aggregates and armour rock materials as specified in ANNEX B. Likewise, the **COMPANY** shall be responsible for all other permits and licenses for the maintenance of the Quarry Permits, including all the required compliance and periodic reports, submissions or evaluations on mining, environment, health, safety and community relations by the concerned government agencies or instrumentalities

or as may be required by law and its implementing rules and regulations. For this purpose, should there be documents, information or report required from the **CONTRACTOR** to facilitate or secure such permits and licenses, the same shall be provided to the **COMPANY** upon demand.

The **COMPANY** shall provide the **CONTRACTOR** with copies of all permits, licenses, clearances and reports provided by regulatory agencies.

2. QUARRY DESIGN AND SCOPE OF WORKS

2.1. Work Program

The **CONTRACTOR** shall prepare a Work Program for the design and scope of works, subject to mutual agreement with the **COMPANY**. The Work Program should have a timetable to set a date of start of production.

CONTRACTOR shall identify other areas for possible extraction of rocks aside from the identified areas in the Quarry Areas.

As part of the quarry development activities, **CONTRACTOR** shall construct a reservoir for catchment of rainwater for use of the Crushing Facilities of the **COMPANY** subject to Section 13.4 of this Agreement.

2.2. Quarry Production Parameters

2.2.1 Quarry Production Target by **CONTRACTOR**

Aggregate Crusher Feed	50,400 Bank Cubic Meter (BCM) per month
Armour Rocks	33,600 Bank Cubic Meter (BCM) per month
Total	84,000 Bank Cubic Meter (BCM) per month

2.2.2 Quarry Design by **CONTRACTOR**

Maximum Hauling Distance to Plant Raw Stockpile Area	1.2 km +/- 250 meter allowable tolerance
Maximum Hauling Distance to Waste Dump	1.3 km +/- 250 meter allowable tolerance
Ramp Gradient	12% max
Ramp Width	12 m
Bench Height	10 m
Bench Width	15 m
Bench Slope	70 degrees
Operating Hours	18 hrs.
Average Operating Days	28 days/month

2.2.3 Crusher Operation by **COMPANY**

Crusher Feed Rate	500 TPH
Crusher Plant Availability	95%
Crusher Plant Utilization	75%
Maximum Feed Size of Feedable Blasted Muck	600mm
Operating Hours	16 hrs.
Average Operating Days	28 days/month
Armour Rock Maximum Size	2 Cu. M.

2.3. Waste Stripping Scope of Works

2.3.1. The **CONTRACTOR** shall strip and properly dispose waste materials, from quarry area to designated waste dump area with an estimated distance of 760 m. to 1.3km from the quarry area.

2.3.2. The **CONTRACTOR** shall spread and compact waste materials at designated waste dump area.

2.3.3 The **COMPANY** shall secure Tree cutting permit and undertake tree-cutting activities prior to the stripping of waste and overburden. It is the responsibility of the **COMPANY** to clear out trees within the quarry area prior to waste stripping. **CONTRACTOR** may undertake the clearing out of trees subject to Section 13.4 of this agreement.

2.3.4. The parties agree that handling and disposal of waste from the crushing plant is not part of this scope of works.

2.4. Quarrying Scope of Works

2.4.1. Quarry Development

a. The **CONTRACTOR** shall develop and design quarry benches in accordance with designed bench height and slope as specified in the Mine Plan acceptable to the **COMPANY** and supervise operations of any subcontractor hired for drilling and blasting. The use of explosives in quarry development or development blast is excluded in the **CONTRACTOR's** responsibility and is a separate compensable activity subject to change order or variation order as stated in Section 13.4 of this agreement.

b. The **CONTRACTOR** shall prepare well maintained loading areas for loading and hauling activities including provision of drainage within the quarry in conformity with the quarry development plan of the **COMPANY**.

2.4.2 Andesite and Basalt Material Delivery

a. The **CONTRACTOR** shall load and deliver feedable blasted muck materials at a minimum allowable truck factor of 30Tons per trip from quarry to designated plant raw stockpile area near the crusher or dumping to primary crusher hopper within a distance of 740 m to 1.9 km.

b. The daily drilling and blasting production operations of at least 3,000 bank cubic meters of feedable blasted muck materials not exceeding 600mm in size, averaged on a two-week basis, shall be the responsibility of the blasting subcontractor. The blasting subcontractor shall provide readily available blasted feedable sized materials of at least 3,000 bank cubic meter at any one time.

c. Stockpile management at plant raw stockpile areas for armour rock stockpiles and crusher feed stockpiles shall be the responsibility of the **COMPANY**. It is the responsibility of the **COMPANY** to provide sufficient raw material stockpile area for crusher plant feed and armour rocks to allow continuous delivery of materials.

d. Feeding of raw materials from crusher feed stockpile to dumping hopper or any double handling shall be the responsibility of the **COMPANY**. However, the **CONTRACTOR** may render double handling activities subject to Section 13.4 of this agreement.

2.4.3 Road Maintenance – **CONTRACTOR** shall properly maintain the turned-over quarry haul road from crusher area to present quarry and waste dump areas including road watering for dust suppression, for use by all vehicles within the subject property.

2.4.4 Maintenance of Environmental Protection Facilities - Maintenance of turned-over siltation ponds including de-silting and disposal of recovered silt materials to designated waste dump shall be charged to the **COMPANY** subject to Section 13.4 of this agreement.

2.4.5 Environmental Laws and compliance - The **CONTRACTOR** shall strictly comply, maintain and follow all environmental protection laws and regulation during and after the completion of its scope of works. The **CONTRACTOR** shall prepare, in behalf of the **COMPANY**, all required submissions to various government agencies in relation to its scope of work. **COMPANY** shall be responsible for all the necessary quality tests such as but not limited to air and water laboratory tests in compliance to the stipulation in the ECC. The Parties shall meet regularly in working groups to assess environmental compliance and to ensure that all reports and filings are promptly submitted to the DENR and other local and national government authorities.

2.4.6 Quarry Equipment - The **CONTRACTOR** shall make available the following initial quarry equipment as specified in ANNEX C and shall maintain the same in good operating condition for the use in the performance of the services for the **COMPANY** under this agreement. These equipment shall be used for the waste stripping, quarry development, construction of environmental protection infrastructure, and commencement of production not less than 1,000 BCM.

The **COMPANY** shall purchase the necessary additional equipment as specified by the **CONTRACTOR** for purposes of expanding productive capacity to meet the aggregate production requirement of 3,000 BCM. The additional equipment are as listed in ANNEX D. The **CONTRACTOR** shall notify the **COMPANY** in writing the necessity for any subsequent additional equipment. The **CONTRACTOR** may lease or acquire the company-purchased equipment under an agreed contractual payment term. This contract shall form an integral part of this Agreement.

The **CONTRACTOR** shall take part in the selection and technical inspection of the equipment to be purchased by the **COMPANY** for use in the quarry. Once delivered to the **COMPANY** and the **CONTRACTOR** opted to lease or acquire the equipment then, the equipment shall be under the continuous and absolute control and possession of the **CONTRACTOR**. The **CONTRACTOR** shall also be responsible for the maintenance of the purchased equipment.

2.4.7. Fuel, Oil and Lubricants Supply. The **COMPANY** shall supply to the **CONTRACTOR** fuel, oil and lubricants at at-cost price deductible on the **CONTRACTOR**'s periodic billings. The **COMPANY** shall provide fuel tanks and dispensing facilities with point of sale (POS) system within the designated temporary facility area to assure sufficient supply of fuel for the operations of the **CONTRACTOR**. Deduction on the billings for the withdrawal of fuel, oil and lubricants of a given month shall be deducted from the same month of production. In the absence of such fuel dispensing facilities of the **COMPANY**, the **CONTRACTOR** shall directly procure its fuel, oil and lubricant as required by the project.

3. FACILITIES

3.1. Calibration of Fuel Dispensing Pump Facilities

To ensure accuracy, the parties shall conduct a joint quarterly check and periodic calibration of dispensing pumps, point of sale system, tank trucks, storage tanks, and calibration buckets in accordance with existing government standards.

3.2. Lay-down Area

The **COMPANY** shall provide an area free of charge to the **CONTRACTOR** for its temporary facilities, warehouse, office and equipment yard excluding, staff house for its staff. **CONTRACTOR** shall construct and maintain such facilities at its own cost.

3.3. Water and Power Supply

COMPANY shall provide sufficient and appropriate water and power supply distributed and for use in the temporary facilities of the **CONTRACTOR** free of charge.

3.4. Availability of Facilities

All facilities provided under this Section shall be ready prior to the **CONTRACTOR**'s commencing operations. Any suspension of work due to the non-availability of the facilities upon work commencement shall be considered as a suspension of work for purposes of Section 1.2.

4. COMPENSATION

4.1. Mobilization Expenses

Prior to the commencement of operations, the **COMPANY** shall pay the **CONTRACTOR** the amounts as mobilization expenses as specified in a supplemental agreement.

4.2. Pricing

The **COMPANY** agrees to pay the **CONTRACTOR** on a VAT Excluded price the following:

Waste Stripping and Disposal via setting aside	PHP 23.00per BCM
Waste Stripping and Disposal at a maximum of 1.55 kilometer distance including tolerance for Area 3 only	PHP117.50 per BCM
Extraction and Delivery of Blasted Materials for Aggregates to Plant Raw Stockpile or Crusher Hopper at a maximum of 1.45 kilometer distance including tolerance	PHP 168.00 per BCM
Extraction and Delivery of Blasted Materials for Armour Rocks	Subject to another agreement

Note1. Waste soil swell factor at 1.25%

Note 2. Blasted Materials for Aggregates swell factor at 1.44%

Note 3.It is understood that the compensation of the **CONTRACTOR** for all the works done shall be subject to the fluctuation formula prescribed in Section4.6.

Note 4.Price is inclusive of fuel, lubricants, manpower, equipment (operating and owning cost)

Note 5: Preliminary budget estimate is around 200,000 BCM of waste. In stripping of waste, the parties shall minimize hauling of waste at the start of operations and focus on setting aside of waste. Hauling shall only be undertaken if necessary. Further, the parties shall ensure that quarry extraction shall be conducted simultaneously with or immediately after waste stripping.

4.3. Penalty for Suspension of Services

Should there be a suspension in the land development and quarry operations for reasons not attributable to bad weather conditions and force majeure beyond the control of the **COMPANY**; the **CONTRACTOR** shall be compensated with 25% of the guaranteed daily volume of 3,000 bank cubic meter to cover fixed costs and

equipment amortization. In the event suspension of work not attributable to the above events reached beyond 15 day period, the COMPANY shall have to option to suspend in accordance with Section 1.2. For purposes of this provision, the suspensions that are compensable are:

- Delays caused by local and national government compliance requirements
- any cease-desist or similar orders issued by the government authorities

4.4. Volume Calculation

The **COMPANY** and the **CONTRACTOR** agree to use volumetric survey (in BCM / in-situ) in determining the total volume extracted and as well as reference for contractor's billing. Volumetric survey results shall be determined and agreed upon by both parties prior to stripping, extraction, blasting, and post blasting operation.

4.5. Incremental Distance

In the event that the hauling distance exceeds the maximum tolerable distances as stated in Section 2.2.2, the **CONTRACTOR** shall be entitled to an additional adjustment in its price at the following rates:

Distance	Blasted Material for Aggregates BCM	Waste Materials BCM
≤ 1.5 km	PHP168.00	PHP117.50
1.51 km ≤ 1.75 km	PHP186.00	PHP120.00
1.76 km ≤ 2.00 km	PHP202.00	PHP125.00

4.6. Indexing Formula

In the event there is a fluctuation in (a) price of fuel, (b) US Dollar to Peso Exchange Rate, or (c) prevailing minimum wage rates, the agreed prices in Section 4.a above shall be adjusted by an amount equivalent to the Inflationary Factor Adjustment (IFA) as defined below, computed as follows:

Proposed Escalation Formula:

Formula:

$$\text{Price 1} = \text{Price 0} (1 + \text{IFA})$$

$$\text{IFA} = [30\%(\text{F1}/\text{FO}) + 40\% (\text{S1}/\text{SO}) + 15\% (\text{L1}/\text{LO}) + 15\%] - 1$$

	Weight	New Price	Reference Price	a/b	Weighted
		(a)	(b)		IFA
Diesel	30%	32.00	30.50	1.05	0.3148
		F1	FO		
FX Rate	35%	52.00	51.00	1.02	0.3569
		S1	SO		
Labor	20%	380.00	380.00	1.00	0.2000
		L1	LO		
OH/Margin	15%				0.1500
Total	100%				1.0216
					1.0000
Base Price	113.05			Percent incr/(dec) - IFA	0.0216
Price Change	2.44				
Escalated Price	115.49				

Where:

Price 1 – Escalated Price

Price 0 – Contracted Price

IFA - Inflationary Factor Adjustment

FI - Average price of diesel fuel inclusive of VAT for the month immediately preceding the start of the month in review

FO - Price of diesel fuel pegged at P38 per liter inclusive of VAT

S1 - Average foreign exchange rate (Php: USD) for the month immediately preceding the start of the month in review as per BSP

SO - Foreign exchange rate pegged at US\$1.00:Php50.00 as per BSP

L1 - Minimum daily wage rate for the month immediately precede the start of the month in review as per DOLE

LO - Minimum daily wage rate at the start of the contract pegged at Php380.00 per day as per DOLE

APPLICATION OF THE IFA SHALL BE ON A MONTHLY BASIS

4.7. IFA Review

Review of the IFA for the quarry operations and equipment rental pricing shall be made on a monthly basis and shall be made on the first day of the month or in case of a holiday, on the immediately succeeding business day.

The parties shall endeavor to agree on the IFA within ten (10) business days from the initial discussion.

4.8. IFA Adjustments

The Parties agree that the IFA adjustments on the USDollar – Peso exchange rate should have a floor / tolerable limit of US\$1.00: Php50.00 without prejudice to Article 1266 of the Civil Code.

5. TERMS OF PAYMENT

5.1. Billings

The **CONTRACTOR** shall bill the **COMPANY** on a semi-monthly basis. The billing cut-off date shall be every 15th and 30th of the month and shall be submitted within five (5) days after cut-off date. Payment by the **COMPANY** shall be made within seven (7) calendar days after receipt of billing.

5.2. Interest Charges

The **COMPANY** shall pay the **CONTRACTOR** interest charges for delayed payment at 3% per month.

5.3. Notice to Pay

In any case, the **CONTRACTOR** shall send a notice to pay to the company in case of the **COMPANY'S** failure to pay four billing statements. This is without prejudice to the payment of the interest charges which shall commence to run from the time that there has been a delay in the payment. Further, the **CONTRACTOR** may send a notice of suspension of operations in case no payment has been received from the company within 15 days from the time that the notice to pay has been sent.

If the suspension period continues for more than forty-five (45) calendar days from the issuance of the notice to pay without the receipt of full payment, the **CONTRACTOR** may terminate the contract thru a written notice of termination subject to the provision in Section 10.2, without prejudice to the payment of all costs and unpaid amounts including, but not limited to, demobilization charges amounting to the freight charges for the same equipment mobilized during the commencement of this Agreement, legal costs, unpaid invoices from the commencement of the operation until the date of termination *and* the amount equivalent to 3 months guaranteed minimum monthly tonnage or the remaining monthly tonnages by which the contractor would have charged had the contract lasted its full term, whichever is lesser. Furthermore, the termination of the performance of the **CONTRACTOR'S** obligation shall not constitute as waiver of any other rights that the **CONTRACTOR** may have by law and contract against the **COMPANY** including an automatic lien on the inventory of the raw materials.

6. WARRANTIES AND GUARANTEES

6.1. Guaranteed Daily Production

The **COMPANY** shall always make the quarry available to the **CONTRACTOR** to facilitate the continuous delivery of the andesite and basalt materials to the

designated plant raw stockpile area or to primary crusher hopper. For symmetry, CONTRACTOR likewise guarantees minimum production of 3,000 BCM averaged on a two-week period. If the CONTRACTOR fails to meet the guaranteed daily minimum volume due to causes attributable to the CONTRACTOR, excluding delays attributable to the blasting and drilling subcontractor, CONTRACTOR shall compensate COMPANY the amount equivalent to the difference between the actual and guaranteed daily volume of 3,000 bank cubic meter, but not exceeding the amount equivalent to 25% of the agreed minimum daily volume, at the agreed rate of compensation. Computation of penalties shall be based on 14-days equivalent guaranteed minimum production.

Penalty Computation Example:

Actual Production	Guaranteed Production	Difference	Penalized Quantity
2400 BCM	3000 BCM	600	600
2000 BCM	3000 BCM	1000	750

6.2. Deductions on Payment

No deductions for any cause on the billings shall be allowed unless a meeting is held to discuss the reasons/causes for the deduction. In case of failure on the part of the **COMPANY** to attend the meeting for whatever reason, the amount furnished by **CONTRACTOR** without any deductions shall be final.

7. MOBILIZATION AND DEMOBILIZATION

The **CONTRACTOR** and the **COMPANY** shall agree on the list of the equipment which shall be mobilized for the purpose of this Agreement. The parties hereby agree that the cost of initial mobilization of equipment, as stipulated in Section 4.1 above, to the designated mine site, shall be for the account of the **COMPANY**. Upon completion of this Agreement, the cost for the demobilization of the said equipment shall be borne by the **CONTRACTOR**. However, in cases of premature termination at the fault of the **COMPANY**, mobilization and demobilization cost shall be borne by the **COMPANY**.

The **CONTRACTOR** is likewise responsible for the demobilization and mobilization expense of any equipment that it will replace during the period of this Contract based on the agreed list of equipment.

8. CONTRACTOR'S LIABILITY

8.1. Employees

The workers employed in this undertaking shall be **CONTRACTOR's** employees. **CONTRACTOR** shall be exclusively responsible for them and shall be liable for any

claim or damage resulting from any accident, injury or sickness they may suffer while performing their duties. There shall be no employer-employee relationship between **CONTRACTOR**'s workers and the **COMPANY**.

8.2. Employee Benefits

CONTRACTOR shall have its employees covered by all legally required programs, including SSS (Social Security System), Medicare and Employees Compensation Fund. **CONTRACTOR** hereby holds the Company free and harmless from any claim for injury and damage caused to the person or the property of third parties, including its representatives and employees.

8.3. Personal Protective Equipment (“PPE”), Security and Safety

It is **CONTRACTOR**'s responsibility to provide PPE to their employees. **CONTRACTOR** shall impose and follow the Company' Safety Rules and Regulations, security and administrative policies and provisions.

The **CONTRACTOR** shall likewise provide security for its personnel and equipment for the duration of this Agreement.

9. COMPANY'S RESPONSIBILITY

9.1. Community Relations

The **COMPANY** shall be responsible for the community relations with the host community and other non-governmental organizations.

9.2. Safety and Security

The **COMPANY** shall be responsible for the Safety and Security of the perimeter of the Quarry Area and the crusher facilities.

10. SUSPENSION, TERMINATION OF CONTRACT

10.1. Termination by the COMPANY

The **COMPANY** may, by thirty (30) days' notice, terminate this contract for the following reasons:

10.1.1. Repeated failure of **CONTRACTOR** to observe the **COMPANY**'s safety rules and regulations and policies;

10.1.2. Repeated commission by **CONTRACTOR** of fraudulent acts such as violation of environmental laws.

10.1.3. Failure of **CONTRACTOR** to comply with any material obligations under this Contract or breach of any warranty, covenant or undertakings, provided that such non-compliance or breach is not capable of being remedied.

10.2. Termination by the **CONTRACTOR**

CONTRACTOR may terminate this Contract at any time by giving written notice to the **COMPANY** if there is a suspension or termination of the **COMPANY** operations due to governmental regulatory actions or requirements, and for causes mentioned in Section 5.3, without prejudice to the payment of unpaid amounts.

10.3. Termination by either Party

In the event that one or more of the following events shall have occurred and be continuing, the aggrieved party may terminate this Contract as follows:

- a. Upon the lapse of the sixty-day curative period provided herein, by the aggrieved Party giving to the other not less than sixty (60) days written notice of its intent to terminate, in the event of material and substantial breach of any of the provisions of this Contract or failure by the other Party to comply with any of its obligations under this Contract, provided, that said breach is capable of being remedied but has not been remedied within sixty (60) days from receipt of written notice to cure from the other Party indicating the particulars of the breach and requesting that the breach be remedied;
- b. With immediate effect on written notice by the aggrieved Party to the other if that other Party becomes or is adjudged insolvent or bankrupt or compounds with or makes an assignment for the benefit of its creditors, or proceedings for its liquidation or dissolution are filed, or it ceases to carry on business, or is unable to pay its debts as they become due, or a petition in insolvency or for rehabilitation is filed by or against it, or it files a petition for suspension of payments or for the appointment of a management committee or rehabilitation receiver.

10.4. Effects of Termination

In case of termination under Section 10.1 above, all the obligations of the **COMPANY** under this Contract shall cease upon termination and **CONTRACTOR** shall be paid all billings not subject to dispute within seven (7) days from date of termination. Claims for disputed billings and issues and damages related to the termination shall proceed in accordance with Section 10.

In case of termination under Section 10.2 above, all the obligations of the Parties under this Contract shall cease upon termination and **CONTRACTOR** shall be entitled to the payment of all accrued fees as at the time of termination.

In case of termination under Section 10.3 above, all rights and obligations of the Parties hereunder will terminate without any liability of any Party to the other Parties except for any liability of any Party then in breach, and except for the confidentiality of any Confidential Information under Section 13.3.

10.5. Suspension due to Fortuitous Events or Acts Beyond the Control of the Parties

In case of weather disturbances, force majeure, delays caused by local and national government compliance requirements or any cease-desist or similar orders issued by the government authorities, either Party shall have the right to suspend this Contract until such time when conditions permit the resumption of operations.

In case of suspension of operations for any reason under this Section, the Party declaring the suspension shall immediately furnish the other Party a written advice of the suspension and the reason/s for the same. **CONTRACTOR** shall be paid for all its stock-pile inventory. During the suspension, the **COMPANY** shall continue to pay for any equipment rentals due during the period of suspension, unless the **COMPANY** informs **CONTRACTOR** in writing that it is terminating the contract.

The Parties shall make all reasonable efforts to minimize costs and shall equally share cost to secure infrastructure from damage during the period of suspension.

11. GOVERNING LAW AND SETTLEMENT OF DISPUTES

11.1. Governing Law

This Contract shall be governed by and construed in accordance with the laws of the Philippines.

11.2. Good faith discussions

Each Party shall comply in good faith with all its respective undertakings. If there should be a dispute or disagreement concerning any provision of this Contract, the Parties shall exert every effort to settle it amicably within thirty (30) days after a written notice of dispute is received by the other Party. This notice of dispute is in addition to the notice to cure provided in Section 10.3(a). In case of a dispute due to termination under Section 10.3(b), the notice of dispute shall be immediately provided by the notifying Party to the other Party within thirty (30) days from the time the notice of termination is received.

11.3. Arbitration

Any dispute, controversy or claim arising out of or relating to this Contract, or the breach, termination or invalidity thereof which are not settled within the thirty (30) day period above shall be finally settled by arbitration in accordance with the PDRCI Arbitration Rules in force at the time of the commencement of the arbitration. The number of arbitrators shall be three. The seat and venue of arbitration shall be Makati City. The language to be used in the arbitral proceedings shall be English.

11.4. Sharing of Arbitration Expenses

All expenses in connection with the arbitration proceedings including the fees of the arbitrators shall be borne equally by the **COMPANY**, on one hand, and **CONTRACTOR**, on the other.

12. REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS

12.1. Authority

Each Party represents and warrants that it has: (a) full legal right, power and authority to incur the obligations in this Contract, to execute and deliver this Contract, and to perform and observe its terms and conditions; and (b) taken all appropriate and necessary corporate and legal actions to authorize the execution, delivery and performance of this Contract.

12.2. Technical Expertise and Experience

CONTRACTOR represents and warrants that it has sufficient technical expertise and experience in the performance of the required services under this Contract.

13. MISCELLANEOUS PROVISIONS

13.1. Provision of Documents

The **COMPANY** shall provide **CONTRACTOR** with copies of all permits required for compliance purposes.

13.2. Exclusivity

The **CONTRACTOR** shall be the exclusive contractor over the Quarry Areas. No other contractors shall be allowed to operate the same service provided by the **CONTRACTOR** without the **CONTRACTOR's** consent. The **COMPANY** further guarantees that once it obtains an MPSA over the Quarry Areas, portions thereof, or the surrounding areas, it shall allow the **CONTRACTOR's** continuous operations over the Quarry Areas until the end of the contract, without prejudice to any subsequent renewals.

13.3. Confidentiality

Each Party agrees that all information relating to the other Parties' business, including without limitation any trade secrets, operations know-how, or any information whatsoever concerning the organization, management and finances of the other Parties acquired by any Party under this Contract, will be treated as confidential ("Confidential Information") and must not be used or disclosed by the other Party to any third party not being a related company or an adviser to a Party. Each Party agrees to hold the Confidential Information in strict confidence and will ensure that any of its personnel or representatives does not:

- a. disclose any Confidential Information to any person without the prior written consent of the Party who provided the Confidential Information;
- b. make any use of the Confidential Information or any part of it except for the proper performance of the Party's obligations under this Contract;
- c. make any use of the Confidential Information or any part of it to the competitive disadvantage of the Party who provided the Confidential Information; or

- d. copy or duplicate Confidential Information or any part of it without the prior written consent of the Party who provided the Confidential Information except to the extent necessary for the proper performance of the Party's obligations under this Contract.

The obligations of confidentiality contained herein will not apply to any information which:

- i. is, or becomes, public knowledge otherwise than through default of the Party who divulges the information;
- ii. the receiving Party can demonstrate was known prior to use or disclosure by the receiving Party;
- iii. is disclosed by order of any court, tribunal, authority or any stock exchange acting within the scope of its powers; or
- iv. is contained in any public record required to be filed or otherwise provided to any authority to consummate any of the transactions contemplated by this Contract.

Whenever any Party or its related company or adviser is required by law or stock exchange listing requirements to disclose any Confidential Information of another Party, the Party from which disclosure is sought (or from whose related company or adviser disclosure is sought) shall provide to the other Party prompt written notice so that the other Party may seek an appropriate protective order, other relief or waive compliance with the provisions of this Section.

The confidentiality of the Confidential Information shall survive the termination of this Contract.

13.4. Change Orders or Variation Works

In case the **COMPANY** engages the services of the **CONTRACTOR** to undertake certain services beyond the agreed terms of this Contract such as environmental or community relations works or activities, the same shall be subject to separate agreement or an equipment rental basis as referred to "Annex A". The requesting Party shall provide a written change order request to the other Party who shall confirm in writing the change subject to agreement on additional cost and expenses.

Under no circumstances can the **CONTRACTOR** proceed to commence work under any Change Order or Extra Work Order unless a written approval has been secured from them.

13.5. Labor Preference

CONTRACTOR shall prioritize the employment of unskilled persons residing in the same or adjacent locality of the mine site. **CONTRACTOR** may hire competent skilled personnel from the locality at the **CONTRACTOR's** discretion and subject to availability of such in the host locality.

13.6. No Take-Over

This Contract is guaranteed for its entire Term. The **COMPANY** shall not, directly or indirectly, take over the operations of **CONTRACTOR**.

In cases **CONTRACTOR** has committed breach and is unable to correct the same within 60 days, **COMPANY** may enforce the provisions as stated in Section 10.3.

13.7. Waiver

No failure or delay on the part of a Party to exercise any right, power or privilege, or to enforce at any time or for any period of time any provision, shall be construed to be a waiver of such right, power, privilege or provision or of the right of the party thereafter to exercise such right, power or privilege, or enforce such provision.

13.8. Notices

Any notice or communication required under this Contract shall be addressed as provided below and may be personally delivered (including by courier), in which case it shall be deemed to have been given upon delivery at the relevant address if it is delivered no later than [17.00] hours on a Working Day, or, if it is delivered later than [17.00] hours at [08:00] on the next Working Day; or sent by facsimile, in which case it shall be deemed to have been given when dispatched, subject to confirmation of uninterrupted transmission by a transmission report, provided that any notice dispatched by facsimile after [17.00] hours on any Working Day or at any time on a day which is not a Working Day shall be deemed to have been given at [08.00] on the next Working Day; or sent by electronic mail, in which case, it shall be deemed to have been given when sent, but subject to the same provisions regarding receipt after [17.00] hours as applying to notices sent by facsimile.

THE LANDOWNER

THE COMPANY

THE CONTRACTOR



13.9. Relationship of Parties

Nothing contained in this Contract shall be deemed to constitute any of the **COMPANY** or **CONTRACTOR** as the partner of each other or to constitute any of the **COMPANY** or **CONTRACTOR** as the agent or legal representative of each other.

13.10. Liability

Except as otherwise provided herein, in no event shall any Party, including its officers, employees and agents, be held liable for any and all claims or damages arising from any act or omission of the other Party or its employees or agents in the performance of such Party's obligations under this Contract.

Each Party shall save and hold the other Party, including the latter's officers, employees and agents, free and harmless from and against all liability, claims and demands on account of personal injuries, death, or property loss, or damage to properties or to other persons arising out of or in any manner connected with the performance of this Contract that is caused by the negligence, fault, fraud or willful act or omission of the former Party, its employees, agents or invitees or any of them, and the former Party shall, at its own expense, defend any and all actions based therein and shall pay all charges of attorney's fees and all costs and other expenses arising therefrom.

13.11. Assignment

The **COMPANY** shall guarantee that their heirs, transferees, assignees shall honor this Contract.

13.12. Separability

If any article, section or provision of this Contract is declared void, the other articles, section or provision shall remain valid.

13.13. Subcontracting

CONTRACTOR may subcontract to any third party any part or portion of the required services as may be necessary or economical under the circumstances

13.14. Compliance with Laws

CONTRACTOR shall comply with all laws, rules, regulations, orders or similar authorities and shall obtain any and all governmental approvals, consents, licenses, authorizations or registrations required or necessary for the performance of its obligations under this Contract.

13.15. Taxes and Assessments

CONTRACTOR shall be solely liable for the payment of all taxes imposed and assessments made in relation to all payments for the required services under this Contract. For clarity, **CONTRACTOR** shall only be liable for the following taxes and assessments:

- 1) Mayor's Permit and Clearance To Operate Business (including Community Tax Certificate, Barangay Clearance, Police Clearance, BFP Clearance, National Building Code, Zoning Clearance, BIR Clearance,, Philhealth, SSS, Pag-ibig Clearances and other regulatory requirement)
- 2) Quarterly Business Tax for Frasec Ventures Corporation
- 3) BIR Annual Registration Fee
- 4) Building Permit for its Temporary Facilities and other related structures
- 5) Permit/License for Radios
- 6) Renewal of Base Radio License
- 7) Payments for heavy equipment and machineries used for mining operations
- 8) Annual Electrical Inspection Fee

Taxes, fees, and charges not enumerated above shall be for the account of the Company.

IN WITNESS WHEREOF, the parties have signed this Contract this 22 January 2018 in Mandaluyong City.

ATN PHILIPPINE SOLAR ENERGY GROUP, INC.

FRASEC VENTURES CORPORATION

And **ATN HOLDINGS, INC.**

By: : *original signed*

By: *original signed*

FRANCIS GERARD S. CAÑEDO

ARSENIO T. NG

Signed in the presence of:

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)
Makati City) SS

QUEZON CITY

JAN 24 2018

BEFORE ME, a Notary Public for and in _____ City, this _____ day _____, 2018 personally appeared:

Name	Passport / ID No.	Issued at / on
Arsenio T. Ng Francis Gerard S. Cañedo	<div style="border: 1px solid black; width: 150px; height: 30px;"></div>	_____ _____

known to me to be the same persons who executed the foregoing instrument, and they acknowledged to me that the same is their free and voluntary act and deed and of the corporations they represent.

This instrument refers to a LAND DEVELOPMENT and QUARRY SERVICES CONTRACT consisting of _____ (____) pages, including this page where this acknowledgment is written, signed by the parties and their witnesses on each and every thereof, the annexes and sealed with my notarial seal.

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

Doc. No. 4a
Page No. _____
Book No. _____
Series of 2018.

Rogelio J. Bolivar
ATTY. ROGELIO J. BOLIVAR
NOTARY PUBLIC IN QUEZON CITY
AM Adm. Not. Com. No. NP-080 1-12-17 until 12-31-2018
IBP O.R No. 1038374 Jan. 2017 up to Dec. 2018
PTR O.R No. 552456 C 1-3-16 / Ref No. 31K12 / TIN# 129-871-009
MCLE No. V-0019256 valid from 04/15/2016 until 04/14/2019/PASIG CITY
Address: 31-F Harvard St. Cubao, Q.C.

[Handwritten mark]

[Large handwritten signature]

[Handwritten mark]
20

Jan. 21, 2018

Assembly & Erection Activities at Site (as of Jan. 20, 2018)



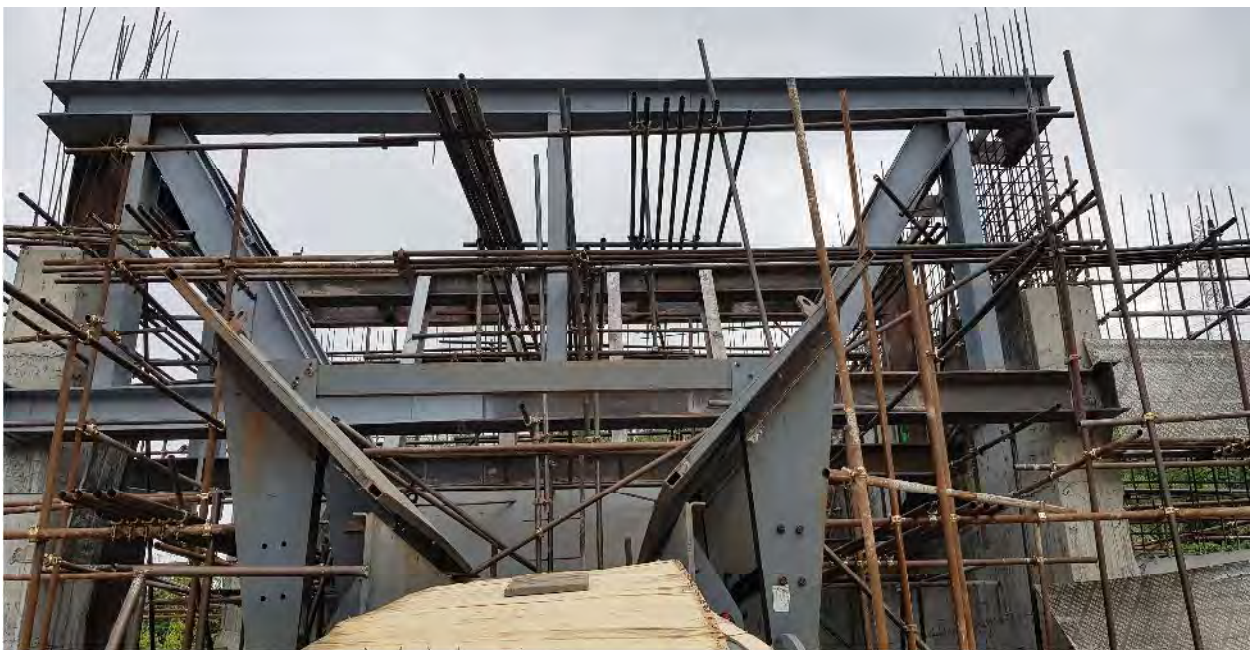
All the horizontal & structural supports for the main upper hopper have been in-place, shown with partial “primer paint”. Steel plates to complete the hopper fabrication will be lifted & mount once the “telescopic crane” arrived at site



It was noticed that the “two flywheels” still on the ground. Telescopic crane and backhoe are required to mount & fit these Jaw Crusher’s components.



The center front view of the hopper as shown in this photo.



A closer view of the hopper structural supports.



The product screening station (the 2nd unit), now with toe board installed with “safety standard yellow color”



As shown, the screening stations were both have the toe boards installed (cut from your supplied steel plates, welded to these structures), applied with primary paint & now with “standard yellow final paints”.



The materials seen in between these screening stations must be removed as we are preparing for the arrival of conveyor frames. This space are intended for the product conveyors, and therefore this must be removed & prepared according to the elevation required by the conveyor's concrete footings.



The prepared MCC & control room positioned. Scaffolding prepared for the installation of walkway platform and stairways (a both 1.2meter wide being prepared on the ground)



The angle bars available at site are now being fabricated, prepared for walkways platforms in the control room perimeter. Other required steel materials required in area (which we don't have at site) shall be forwarded to your office for procurement & supply).



To complete the entire plant, the connecting-link (the conveying systems and its drive mechanism), the electrical connection are the remaining major scope of work to be undertaken in this project.