



NOV 25 2018

NOTICE TO PROCEED

MR. KI SUK HAHN

Authorized Representative  
POONGSAN CORPORATION  
E1901B PSE Center, Exchange Rd.  
Ortigas Complex, Pasig City

Dear Mr. Hahn:

In view of the approved Contract Agreement hereto attached, hereby issued is a Notice to Proceed in relation to the supply and delivery of 21,000,000 pieces of 5.56mm M855/SS109 Bullet for the Government Arsenal with a corresponding contract price in the amount of SEVENTY FIVE MILLION SIX HUNDRED THOUSAND PESOS (PhP75,600,000.00), effective upon receipt.

It is assumed that, upon receipt hereof, you shall work within the terms and conditions set forth in the Contract Agreement and strictly conform to the Implementation Schedule.

Please acknowledge receipt and acceptance of this Notice by signing the copies in the space provided below. May we further request that one (1) of the copies of the received Notice be returned to the Department of National Defense.

Truly yours,

DELFIN N. LORENZANA  
Secretary



I acknowledge receipt of this Notice on Nov 27, 2018  
Name of the Representative of the Bidder KI SUK HAHN  
Authorized Signature [Handwritten Signature]

# CONTRACT AGREEMENT ✓

KNOW ALL MEN BY THESE PRESENTS:

THIS CONTRACT is entered into, by and between:

The DEPARTMENT OF NATIONAL DEFENSE - GOVERNMENT ARSENAL (DND-GA), a government entity existing in accordance with Philippine Laws, with office address at Lamao, Limay, Bataan, Philippines, represented by its Director, DANIEL R CASABAR, JR, hereinafter referred to as the DND-GA; ✓

- and -

POONGSAN CORPORATION, a duly recognized foreign entity, with business address at Poongsan Building, 23 Chungjeong-ro, Seodaemun-gu, Seoul, South Korea, and represented by its Attorney-in-Fact, MR. KI SUK HAHN, of Yung Sung Industrial Philippines, Inc., hereinafter referred to as the SUPPLIER; ✓

WHEREAS, pursuant to DND Acquisition Decision Memorandum (ADM) No. 2018-001 dated February 28, 2018 as amended by ADM No. 2018-001-A, dated July 26, 2018, there is a need to procure 21,000,000 pieces, 5.56mm M855/SS109 Bullet for the use of the Government Arsenal, with an Approved Budget for the Contract (ABC) of PHP90,300,000.00; ✓

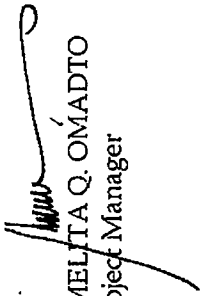
WHEREAS, accordingly, the Department of National Defense Bids and Awards Committee (DND-BAC) undertook an open, public and competitive bidding process in accordance with the Government Procurement Law and its Implementing Rules and Regulations;

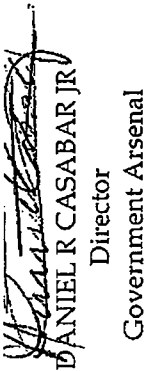
WHEREAS, as consequence of said process, the SUPPLIER was finally determined as the Single Calculated Responsive Bidder for the Procurement of 21,000,000 pieces 5.56mm M855/SS109 Bullet Project with the proposed price of SEVENTY FIVE MILLION SIX HUNDRED THOUSAND PESOS (PHP75,600,000.00); ✓

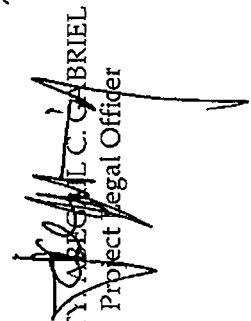
WHEREAS, upon the recommendation of the DND-BAC, the Secretary of National Defense issued a Notice of Award on October 11, 2018, and duly conformed by the SUPPLIER on October 12, 2018; ✓

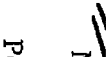
NOW THEREFORE, for and in consideration of the foregoing premises, the parties agree as follows:

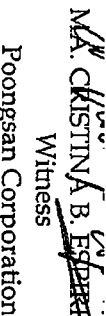
1. In this Agreement words and expressions shall have the same meanings as are respectively assigned to them in the Conditions of Contract in the Bidding Documents.

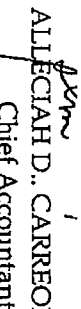
  
MS. AMELITA Q. OMADTO  
Project Manager

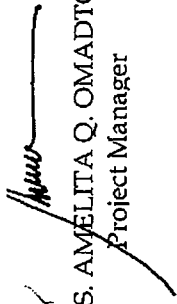
  
DANIEL R CASABAR JR  
Director  
Government Arsenal

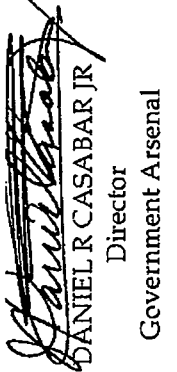
  
ATTY. ABEL L. C. CABRIEL  
Project Legal Officer

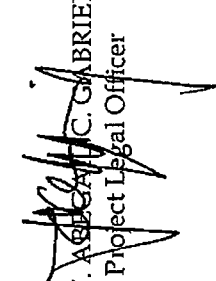
  
MR. KI SUK HAHN  
Attorney - in-Fact  
Poongsan Corporation

  
MR. CHRISTINA B. ESTRELLA  
Witness  
Poongsan Corporation

  
ALLICIAH D. CARREON, CPA  
Chief Accountant

  
MS. AMELITA Q. OMADTO  
Project Manager

  
DANIEL R. CASABAR JR.  
Director  
Government Arsenal

  
ATTY. ABEL C. GABRIEL  
Project Legal Officer

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

- A. Invitation to Bid;
- B. Bidding Documents;
- C. Eligibility and Technical Documents;
- D. Financial Proposal;
- E. Technical Specifications;
- F. Schedule of Requirements;
- G. Supplemental Bid Bulletin;
- H. Performance Security; and
- I. Notice of Award

3. Each and every page of the above - mentioned documents shall be signed by the Legal Officer of the Technical Working Group (TWG) of the Project and the SUPPLIER.

4. Prior to the shipment of the Goods, inspection and tests to confirm the Goods' conformity to the Contract Specifications shall be conducted at the manufacturer's plant site for a duration of five (5) days, exclusive of travel time, at no extra cost to the Procuring Entity, as follows:

	Delivery Period	No. of Inspectors
<i>First Delivery</i>	Within 150 calendar days from receipt of the Notice to Proceed (NTP)	3
<i>Second Delivery</i>	Within 180 calendar days from receipt of the Notice to Proceed (NTP)	3

5. In consideration of the payments to be made by the DND-GA 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.

6. The DND-GA hereby covenants to pay the SUPPLIER in consideration of the provision of the goods and services and the remedying 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.

MR. KI SUK HAHN  
Attorney - in - Fact  
Poongsan Corporation

MA. KRISTINA B. ESTRITU  
Witness  
Poongsan Corporation

ALLICIAH D. CARREON, CPA  
Chief Accountant

7. All charges for the opening of Letter of Credit (LC) and / or incidental expenses thereto (i.e., bank commission, documentary stamp, tax, cable, etc.) shall be for the account of the **SUPPLIER**.

IN WITNESS HEREOF, the parties have hereunto caused this Agreement executed in accordance with the laws of the Republic of the Philippines this \_\_\_\_\_ day of \_\_\_\_\_ 2018 in \_\_\_\_\_.

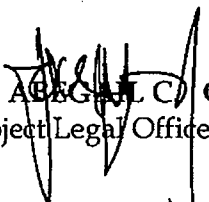
DEPARTMENT OF NATIONAL DEFENSE  
GOVERNMENT ARSENAL

POONGSAN CORPORATION

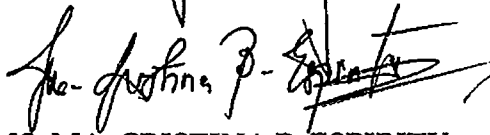
  
DIR DANIEL R CASABAR JR  
Director

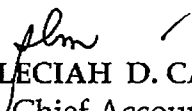
  
MR. KI SUK HAHN  
Attorney-in-Fact

WITNESSED BY:

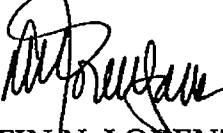
  
ATTY. AREGAL C GABRIEL  
Project Legal Officer

  
MS AMELITA Q. OMADTO  
Project Manager

  
MS. MA. CRISTINA B. ESPIRITU  
Witness for Poongsan Corp.

  
MS. ALLECIAH D. CARREON, CPA  
Chief Accountant

APPROVED BY:

  
DELFIN N. LORENZANA  
SECRETARY



# ACKNOWLEDGMENT

Republic of the Philippines )  
City/Town/Province of \_\_\_\_\_ ) S.S.

Before me personally, appeared in \_\_\_\_\_, Philippines, this  
\_\_\_\_\_ day of NOV 27 2018, 2018, the above stated persons with  
their respective IDs attesting to me that they are the same persons who executed  
this affidavit and acknowledged that the same are their voluntary and true act  
and deed:

Name	ID Number
DELFIN N. LORENZANA	Passport D0001046A
DIR DANIEL R CASABAR JR	TIN-120449129
MR. KI SUK HAHN	Passport 506370454
ATTY. ABEGAIL C. GABRIEL	TIN-406648758
MS AMELITA Q. OMADTO	TIN-112800245
MS. MA. CRISTINA B. ESPIRITU	Passport EC6453924
MS. ALLECIAH D. CARREON	TIN-432710749

This instrument consisting of four (4) pages, including the page on which  
this acknowledgment is written, has been signed by the above-named persons on  
the left margin of each and every page hereof.

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

Notary Public

Doc. No. 473  
Page No. 96  
Book No. IX  
Series of 2018

ATTY. CHRISTIAN P. PILLLOS  
Notary Public  
Until December 31, 2018  
AFOEN Bldg, Cal Donya Terrano Road  
Cor. EDSA, Camp Aguinaldo, Quezon City  
PTR No. 007054718 (old) January 8, 2018  
ISF No. APR-1309702 January 10, 2018  
Reg No. 54793