

## 1. General Conditions

- 1.1. All deliveries, services and offers of Bluechips Microhouse Co., Ltd. (“**BCM**”) as well as payments to BCM are made exclusively on the basis of these General Conditions for Sale, Lease and Repair (“**GC**”). The GC shall apply to all current and future business relations, contracts, deliveries and other services (“**AGREEMENTS**“) even if these conditions are not referred to explicitly. Deviations from these GC, particularly with regard to general terms and conditions of the other contracting party (“**CUSTOMER**“), shall be valid only if they have been explicitly confirmed in writing by BCM.
- 1.2. These GC shall be considered accepted at the latest when a delivery or a partial delivery or service is accepted.
- 1.3. Unless otherwise agreed upon, the INCOTERMS 2010 published by the International Chamber of Commerce shall be used for the interpretation of all common commercial abbreviations used by the parties in connection with the respective AGREEMENT.

## 2. Quotation and Acceptance of an Order

- 2.1. BCM’s quotations are non-binding, unless BCM has expressly stipulated or confirmed the binding force of a quotation in writing.
- 2.2. Weights, dimensions, capacities, performance ratings, price lists and other data contained in any printed or written matter of BCM or any statements made by its representatives shall constitute an approximate guide only and shall not be deemed as being representations or be binding save to the extent that they are by reference expressly included in the AGREEMENT.
- 2.3. Orders shall be considered only if BCM confirms this in written form. However, such initial acknowledgement is not binding upon BCM with regard to the mentioned delivery date, specified as “request date”. After coordination with its production resources and suppliers, BCM shall provide the CUSTOMER with an order confirmation containing a “fixed delivery date”, which shall be binding upon BCM pursuant to these GC. Any amendment or modification thereof transmitted orally, by telephone or fax requires written confirmation before becoming binding upon BCM.

**3. Price**

- 3.1. Unless otherwise specifically provided, all prices quoted by BCM shall be understood EX WORKS, excluding non-standard packaging charges, withholding tax, value-added tax, other customs duties, transport insurance and other charges named by BCM.
- 3.2. Unless otherwise specified in writing, BCM considers itself bound for four weeks by the prices quoted by BCM and by all binding offers commencing at the date of quotation.
- 3.3. BCM reserves the right to increase prices during the execution of a concluded AGREEMENT without increasing BCM's profit in the event of an increase of BCM's costs, in particular with regard to product prices, freight rates, insurance premiums or currency fluctuations. These costs will be documented upon the CUSTOMER's request.

**4. Delivery Times, Deliveries and Delays**

- 4.1. Products shall be delivered EX WORKS from BCM's respective manufacturing facility, or other facility designated by BCM, unless otherwise agreed upon between BCM and the CUSTOMER. Dates and terms of delivery are non-binding unless the parties explicitly agree otherwise in written form.
- 4.2. Delays in deliveries and services due to force majeure (e.g. war, uprisings, strikes or lock-outs) and other unpredictable events for which BCM is not responsible - also if occurring with respect to BCM's suppliers - making it particularly difficult or impossible for BCM to perform the delivery, shall entitle BCM to postpone the delivery or service by the duration of obstruction or to withdraw completely or partially from the AGREEMENTS - as far as it has not been performed yet. Claims for indemnity/compensation against BCM are excluded to the extent permissible under applicable law. If there are any delivery problems, BCM shall inform the CUSTOMER with regards to the whereabouts without undue delay.
- 4.3. BCM reserves the right to withdraw from the AGREEMENTS if its supplier does not deliver correctly or timely. This right of withdrawal shall only apply if BCM is not at fault for this omitted delivery by the supplier, in particular, if BCM has concluded a congruent cover transaction with the supplier. BCM

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shall immediately inform the CUSTOMER of non-availability of the goods. Any payment made to BCM shall be reimbursed immediately.

- 4.4. If BCM is in default with regards to the delivery, i.e. delivers after the fixed delivery date confirmed by BCM in writing, it shall only be liable for losses incurred by the CUSTOMER in the case of gross negligence on behalf of BCM. In the case of slight negligence, BCM's liability for losses incurred shall be limited to a compensation of 0.5 % of the price of the part of delivery, which could not be used as a result of delay for every full week of delay, however not exceeding a maximum of 5 %. Further claims, in particular claims for damages are excluded to the extent permissible by law, unless the default is caused by gross negligence or willful conduct on behalf of BCM.
- 4.5. BCM shall be entitled to perform partial deliveries and render partial services unless the CUSTOMER demonstrates that he would be detrimentally affected by such procedure. This clause does not infringe upon BCM's duty to perform any contractual obligations fully.
- 4.6. BCM's compliance with contractual delivery and performance commitments shall require the timely and proper fulfillment of the CUSTOMER's obligations.
- 4.7. If the CUSTOMER does not accept the goods or services or fails to meet any of its obligations or duties in connection with the AGREEMENT, BCM shall be entitled to claim compensation of damages BCM has suffered therefrom, including all additional expenses in connection therewith, if any. In this case, the risk of accidental loss/destruction or accidental deterioration of sold products shall pass to the CUSTOMER at the moment when the CUSTOMER defaults in accepting.
- 4.8. If the CUSTOMER requests that shipment or delivery be later than the agreed delivery date, the CUSTOMER will have to pay storage charges of 0.5 % of the invoice amount for each month of storage commenced. The maximum charge will, however, not exceed a total of 5% of the invoice amount. The storage charge will accrue one month after BCM gives notice that the goods are ready for shipment. Either party has the right to show that the actual storage charges were higher or lower.

## 5. Trade Term, Passing of Risk

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- 5.1. The risk shall pass according to the agreed upon INCOTERM.
- 5.2. In case that the INCOTERMS 2010 do not apply to the AGREEMENTS for any reason, the following shall apply:
  - a) The risk of goods deliveries shall pass to the CUSTOMER as soon as a shipment has been handed over to the person responsible for its transportation, or has left BCM's storage facility for dispatch (shipping date) at the latest.
  - b) If the CUSTOMER is responsible for a delay in shipment or the shipment becomes impossible through no fault of BCM, the risk shall pass to the CUSTOMER upon notification of BCM's readiness to ship.

**6. Warranty / Liability**

- 6.1. BCM is obliged to provide the goods to the CUSTOMER without quality defects or deficiency in title. The goods are free from defects if they do not or will not significantly deviate from the quality mentioned in the corresponding technical specification of the product description and correspond to the applicable industrial standards. Any other or additional qualities and/or characteristics or a purpose which goes beyond the aforesaid have not been agreed unless expressly agreed upon in writing between the parties. Liability for a specific use or purpose or specific suitability is assumed only to the extent to which this is expressly agreed; otherwise the risk of suitability and use lies exclusively with the CUSTOMER. BCM is not liable for any deterioration or loss or improper treatment of the goods after the risk has passed. Goods that deviate from the qualification as laid out in this clause are defined as DEFECTIVE GOODS for the purpose of these GC.
- 6.2. The CUSTOMER has to examine the delivered goods upon receipt without undue delay. The CUSTOMER has to notify apparent defects in writing within one week after receipt of the respective goods. Any concealed defects have to be notified by the CUSTOMER within one week after their discovery to BCM.
- 6.3. In the event of complaints about defects, the CUSTOMER has to give BCM the opportunity to examine the goods alleged to be defective without undue delay. At BCM's request, the goods alleged to be defective or a sample of those shall be made available to BCM at BCM's expense. In the event that complaints

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are unjustified BCM reserves the right to charge the freight and transshipment costs as well as the costs of examination.

- 6.4. The warranty period for BCM's goods amounts to twelve (12) months starting from the day of the goods become available to the CUSTOMER. The warranty time limit for all kinds of BCM's services amounts to twelve (12) months after acceptance of the service. The period of limitation of twelve month shall not apply where longer limitation periods of warranty are prescribed by law or in cases of injury of life, body or health or where BCM or its vicarious agent is guilty of an intentional or negligent breach of duty. Same applies where a defect has been fraudulently concealed.
- 6.5. Warranty claims may solely be put forward by the CUSTOMER. They are not assignable to third parties without BCM's written consent.
- 6.6. The warranty does not cover natural wear and tear.
- 6.7. For bought-out components, BCM's liability is limited to assignment of liability claims against the supplier of the bought-out component.
- 6.8. In case BCM delivered DEFECTIVE GOODS or rendered defective services , the CUSTOMER shall be entitled to claim subsequent performance. BCM shall have the right to choose between removing the defect and/or delivering defect-free goods (“**DEFECT REMOVAL**”). The CUSTOMER shall grant BCM a reasonable time for the DEFECT REMOVAL, considering for example transport, examination and removal.
- 6.9. If DEFECT REMOVAL fails within a reasonable time and/or no replacement by defect-free goods can be provided or appears unreasonable, the CUSTOMER may at its discretion demand abatement of the sales price or withdraw from the contract. Damages may only be claimed by the CUSTOMER in accordance to the provisions of clause 7 of these GC.
- 6.10. The warranty claim expires among others
  - a) if the CUSTOMER fails to notify BCM stating the discovered defect without any undue delay according to clause 6.2.
  - b) if the CUSTOMER does not give BCM or its authorized representative commissioner - after previous accommodation - sufficient time and opportunity to carry out the repair works and the replacement deliveries

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which appear as necessary according to BCM's fair and reasonable estimation.

- c) if repair or modification are affected by staff not authorized by BCM.
- d) if original BCM spare parts are not exclusively used for maintenance and repairs.
- e) if equipment, tools, spare parts not expressly authorized by BCM are used.
- f) if the CUSTOMER does not comply with the instructions for use, strains the delivered goods excessively, does not affect the prescribed maintenance and inspections regularly, does not affect respectively, does not let the repairs be affected which are necessary according to the point of view of and within the time limit proposed by BCM.

## **7. Limitation of Liability**

- 7.1. Unless stated otherwise herein, all claims for indirect or consequential losses or damages are excluded, as far as this adheres to applicable law. In particular, BCM shall not be liable for any damages that are not proven to be directly caused by the product or the execution of the service itself, in particular no liability for lost profits or other economic losses to the CUSTOMER shall be assumed by BCM.
- 7.2. This limitation of liability will not apply insofar as the cause of damage originates from willful misconduct or gross negligence on BCM's behalf or on behalf of one of its statutory representatives or vicarious agents or if BCM has neglected one of its material contractual obligations. The limitation of liability is neither applicable if BCM has willfully concealed defects or issued a guarantee regarding the condition of the goods with the intention to protect the CUSTOMER against asserted damages.
- 7.3. BCM's obligation for damages in the event of negligence shall be limited to foreseeable damages, but under no circumstances exceed the value of the respective delivery.
- 7.4. All liability for damages exceeding the aforementioned limits shall be excluded, without prejudice to the legal nature of claim. This shall not apply to claims

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following from a culpable injury to the life, body or health of a person—or to claims resulting from criminal offence.

## **8. Retention of Title / Securing Rights**

- 8.1. Until the payment in full of all claims due by the CUSTOMER presently and in the future to BCM - irrespective of the legal cause - the following securities shall be provided to BCM:
- 8.2. Each product or part thereof, including but not limited to all objects, goods, equipment, tools, and spare parts delivered to or reserved by the CUSTOMER shall remain BCM's sole and unrestricted property until any and all claims and obligations resulting from business relations in connection with the underlying AGREEMENT between BCM and the CUSTOMER have been settled.
- 8.3. The CUSTOMER is obliged to handle delivered products which are still in BCM's property with due care and is responsible for adequate insurance, in particular against fire, water and theft. The CUSTOMER may reprocess or resell goods under retention of title in ordinary course of business as long as he is not in default with any of its payment obligations. In case of retention of title, any receivable shall be beneficiary to BCM, however, not to exceed the amount invoiced by BCM to the CUSTOMER. The CUSTOMER shall be prohibited from pledging or depositing such goods for collateral security. In case of any attachment as well as seizure or other dispositions the CUSTOMER shall inform us without undue delay.
- 8.4. Reprocessing or reshaping of objects, goods, equipment, tools, spare parts delivered shall always be regarded as performed on BCM's behalf, but with no obligation on BCM's part. BCM shall be entitled to co-ownership of the new property in as much as the value of goods sold with retention of title (invoice value) relates to the new property. The CUSTOMER will be responsible for holding such new property in safe custody on BCM's behalf and at its own expense.
- 8.5. If a third party gains access to, or hold on, goods shipped with retention of title, notably in the case of pledging, the CUSTOMER shall clearly indicate to such third party that these are BCM's property, delivering prompt notice thereof, in order to enable BCM to enforce its own property rights. Where such

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third party is unable to refund BCM's costs in connection with necessary court or out of-court proceedings, the CUSTOMER shall be held liable therefore.

- 8.6. If a liability arises due to a bill of exchange or similar payment methods, the title shall not pass until the Bill of Exchange has been cashed or payment has been received by the BCG.

**9. Payment Conditions**

- 9.1. Unless otherwise stipulated, BCM's invoices shall be due and payable in full within thirty (30) days from the date of invoice. The date of receipt of payment at BCM's account is decisive.
- 9.2. BCM shall be entitled to initially set off payments against previous debts. The CUSTOMER will then be duly informed regarding settlement. Where such previous debts have incurred additional costs and interest, BCM shall be entitled to set off due payments against such costs in the first place, then against such interest, and finally against the primary obligation.
- 9.3. If the CUSTOMER defaults on its payment obligations, BCM may charge interest at an annual rate of twelve (12) percent from the day on which such default commences. This shall not affect BCM's right to claim further compensation of damages from the CUSTOMER. All unsettled invoices shall be immediately become due and payable should the CUSTOMER defaults on its payments.
- 9.4. If circumstances become known to BCM, which cast doubts on the CUSTOMER's creditworthiness, notably, if a cheque and/or bill of exchange is not cleared, or a payment discontinues, it will be within BCM's rights to call in the total amount, even though BCM may have previously accepted cheques. Furthermore, advance payment or the provision of securities may be demanded in such case.
- 9.5. Any set-off, counterclaim or deduction of any nature or for any cause whatsoever against BCM's claims is only permitted if these counterclaims are settled by a court or have not been disputed on BCM's part.
- 9.6. Unless agreed upon specifically, all payments have to be affected to BCM in cash, without any discount and immediately upon receipt of the invoice according to Cl. 9.1. The acceptance of bills of exchange and of cheques is

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deemed as performance only when the bills of exchange and cheques are successfully cashed by BCM. All costs, transfer fees, bank fees in connection therewith are to be borne by the CUSTOMER.

- 9.7. Delivery of goods will not be affected until 50% of the price of total ordered goods has been duly paid to BCM or a letter of credit has been issued with an internationally accepted bank.
- 9.8. If the CUSTOMER is in default of payment of an installment in the case of part-payment agreements or hire-purchase agreements, BCM is entitled to demand the residual purchase price in a single payment.

## **10. Tooling**

- 10.1. Unless otherwise provided herein, even though fitting-up charges may be specified, all tools and dies, including, without limitation, fixtures, gauges and assembly equipment manufactured for the contract hereunder, will remain in BCM's property, but will be retained by BCM for CUSTOMER's non-exclusive use.
- 10.2. If the property of any tools or dies manufactured by BCM is transferred to CUSTOMER, it must be stated on the face hereof. Any such tools and dies, or any materials, tools, dies and other equipment handed over by CUSTOMER to BCM, shall be at CUSTOMER's sole risk and expense, and BCM shall not be liable for loss, damage, maintenance, repair or renewal, regardless of cause, except for willful conduct or gross-negligence. If CUSTOMER desires to withdraw such tools and dies from BCM's plant, and if BCM consents to permit the CUSTOMER to withdraw them, for any reason, CUSTOMER will first compensate BCM for any cost incurred with respect to them, including, without limitation, design and development costs.
- 10.3. Unless the CUSTOMER pays the full costs for special tooling and other equipment necessary to manufacture the products, such tools and equipment shall remain in the property of BCM. BCM may charge the CUSTOMER for the cost of maintenance and rework of such tools and equipment owned and provided by CUSTOMER.

- 10.4. In the event that CUSTOMER does not reorder goods produced by such tools and/or dies for a period of one year, BCM shall have the right to dispatch such tools and/or dies after a 30-day written notification to the CUSTOMER.
- 10.5. For any such tools and dies, or any materials, tools, dies and other equipment of the CUSTOMER, which are not used for the contract hereunder, BCM shall be entitled to arrange storage on CUSTOMER's behalf. All charges for storage, insurance or other out-of-pocket expenses shall be payable by the CUSTOMER.

**11. Specifications**

- 11.1. The specifications applicable to the products ordered by the CUSTOMER will be in accordance with BCM's standard specifications or, in the case of items other than BCM's standard products, such specifications as are agreed upon in writing by BCM and CUSTOMER.
- 11.2. If specific materials are stipulated, BCM reserves the right to substitute other equivalent materials at BCM's discretion.

**12. Changes**

- 12.1. BCM reserves the right to apply process and design changes in connection with the products which do not adversely affect form, fit or function without prior approval of or notification to the CUSTOMER.
- 12.2. The CUSTOMER may request changes in process or design of the products only if CUSTOMER agrees to accept such changes in delivery or prices which are, in BCM's judgment, reasonably necessitated thereby. Should the CUSTOMER request changes which are, in BCM's judgment, beyond the ability of BCM to produce or deliver within the schedule, or for the price proposed by the CUSTOMER, BCM shall have the right to reject or cancel the CUSTOMER's order, and, if production on the order has commenced or expenses have been incurred or commitments made as a consequence thereof, the CUSTOMER shall pay reasonable charges based on BCM's costs and commitments.

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- 12.3. Specification changes made subsequent to placing an order are subject to price revisions and to any adjustments necessary to cover material procured and processed and labor expended prior to receipt of revised specifications.

### **13. Termination**

- 13.1. BCM shall have the right to suspend or terminate the AGREEMENT partially or entirely by notice forthwith if the CUSTOMER fails to comply with any of its obligations or falls into insolvency, or enters into a deed of arrangement or composition with its creditors.
- 13.2. In the event that BCM suspends or terminates the AGREEMENT due to the CUSTOMER's failure to comply with these GC, the CUSTOMER agrees to pay all of the BCM's direct and indirect expenses associated with repossession of the equipment in addition to the BCM's reasonable attorney's fees incurred.
- 13.3. The CUSTOMER may cancel the remaining unfilled portion of its order upon written notice to BCM and upon payment of reasonable cancellation charges invoiced by BCM which may include the profit to be made on the cancelled portion of the order and shall take into account the products already produced or in process, the expenses already incurred and the commitments already made as a consequence of the order. In no event will the cancellation charges exceed the purchase price of the cancelled product.

### **14. Intellectual Property Rights, Copyrights**

- 14.1. All products and services, including all related specifications, descriptions, circuit diagrams, drawings, maps, drafts, and other pertinent documents as well as software are normally subject to copyrights and other intellectual property rights of the manufacturer/licensor or BCM itself. The CUSTOMER is not authorized to alter, obscure or remove any references to such intellectual property rights on products or related documents.
- 14.2. The CUSTOMER is obliged to advise its CUSTOMERS of the aforementioned intellectual property rights and the license terms of the manufacturer respectively BCM and of any limitations stated therein.
- 14.3. BCM can only be held liable for damages based on infringements of such property rights if BCM was or should have been aware of the existence of these

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property rights and said infringements have subjected the CUSTOMER to third party claims. BCM's liability in this respect shall be limited to the invoiced amount of the infringing goods.

## **15. General Provisions**

- 15.1. These GC as well as all offers, confirmations and AGREEMENTS in connection herewith shall be governed and construed with the laws of the Kingdom of Thailand.
- 15.2. The place of jurisdiction for all disputes arising from or in connection with any AGREEMENT or these GC between the parties shall be Chiang Mai/Kingdom of Thailand.
- 15.3. In the event that any provision of these GC is or becomes illegal, invalid or unenforceable in any respect, the legality, validity and enforceability of the remaining provisions of these GC shall not be affected or impaired thereby. Such void provision shall be replaced by one that fits the commercial purpose of the GC.
- 15.4. The place of fulfillment of all obligations, in particular deliveries, return deliveries and payments, shall be BCM's registered place of business.