

BAG electronics, Inc.

General Terms and Conditions of Sale ("GTCS")

Version: December 2018

Buyer agrees to comply with the following General Terms and Conditions of Sale in connection with the foregoing Quotation:

- 1. CONDITIONS APPLICABLE** – Only the terms and conditions mentioned herein shall apply to the subject matter of or the transaction involved in this Quotation. All other terms and conditions which are not provided herein are not applicable unless agreed upon in writing by the Seller. The acceptance of the delivery of the Goods by the Buyer, or the conformity of the Buyer through its signature herein or in another document, or any other act of conformity, express or implied, by the Buyer shall be conclusive evidence of the acceptance by the Buyer of the Quotation and these conditions, even when no explicit reference is made to this Quotation. Any modification of these conditions shall not be binding unless agreed upon in writing by the Seller.
- 2. BASIS** – This Quotation, unless otherwise expressly provided in the contract details therein, shall be binding and obligatory between and among the Seller and the Buyer in their capacities as principals and not in the capacity of agent or representative of any other entity or person.
- 3. QUANTITY OF THE GOODS** – Quantities quoted are subject to a variation of minus/plus _____ percent (_____%) without any corresponding adjustment of the price, unless otherwise indicated above or specified in writing.
- 4. PRICE, INCREASED COSTS AND PAYMENT** – Payment shall be made by the Buyer to the Seller on a cash on delivery basis. Other forms of payment, including a sale on credit, may be accepted only if indicated in the Quotation, or if otherwise agreed upon in writing by the Seller, expressly specifying therein the terms and conditions of the same. All new, additional or increased freight rates, surcharges (including, without limitation, bunker, currency, congestion, export or import or other surcharges), taxes, customs duties, or other governmental charges, or insurance premiums, if any, which may be incurred by the Seller shall be for the sole account and expense of the account of the Buyer and shall be reimbursed to the Seller by the Buyer upon demand by the latter. Payment may be made by Buyer to Seller in advance unless otherwise stated in the Quotation, and the payment must be received by the Seller prior to the delivery. If payment in check has been agreed upon, all check payments shall be made payable to **BAG electronics, Inc.**
- 5. DELIVERY** – The Seller shall deliver the Goods to the Buyer at the designated place and the Buyer shall make all arrangements necessary to receive the delivery of the Goods as and when they are tendered for delivery. All costs and expenses for the delivery shall be shouldered by the Buyer unless otherwise indicated in the Quotation or agreed upon in writing by the Seller. After the Buyer's conformity to the Quotation, unless otherwise agreed upon in writing by the Seller, the Buyer shall not change such place or date of delivery. Otherwise, the Buyer shall bear all resulting increased costs, damages or losses incurred by the Seller in respect thereof. Upon delivery of the Goods from the Seller to the Buyer, the Buyer shall

issue a receipt acknowledging such delivery.

6. **TITLE AND RISK OF LOSS** – The risk of loss of the Goods shall pass from the Seller to the Buyer only upon delivery of the Goods to the Buyer or to any of its officers, employees, agents, representatives, carriers, shippers, forwarders or in any other case in which the Goods are at the control or disposal of the Buyer. The title to the Goods shall pass from the Seller to the Buyer only upon the Seller's receipt of payment in full of the purchase price for the Goods in accordance with the Quotation, and until such payment is received, the Seller shall retain the title to the Goods.
7. **INSPECTION AND REMEDIES OF BUYER** – Upon delivery of the Goods, the Buyer shall immediately inspect the Goods at the Buyer's own cost. If the Buyer finds that the Goods do not conform to the description or other terms and conditions of the Quotation, the Buyer must, within ten (10) days after the Delivery Date, give written notice to the Seller of any claim, specifically setting forth the details of such non-conformity. Failure to send such notice to the Seller within ten (10) days after delivery shall constitute a waiver of such defect or non-conformity. If any portion of the Goods delivered to the Buyer is defective or is otherwise not in conformity with the description or specifications of the Quotation, the Seller shall have the right, at its own discretion, either to (i) replace such defective Goods or (ii) refund the portion of the price applicable thereto. No portion or part of the Goods shall be returned to the Seller without Seller's prior written consent.
8. **WARRANTIES AND LIABILITY** – The Seller makes no warranty or representation, expressly or impliedly, as to the quality, fitness or suitability of the Goods for any particular purpose or as to the merchantability of the Goods and the Buyer acknowledges that no such representations or warranties have been made by the Seller or on its behalf. If specifications are set forth, minimum standards shall apply in each instance.
9. **FORCE MAJEURE** – The Seller shall not be liable to the Buyer or to any other party for the Seller's failure to perform or for any delay in performance of its obligations hereunder due to the occurrence of any event beyond the reasonable control of the Seller and which affects its performance including but not limited to governmental regulations or orders, outbreak of a state emergency, acts of God, war, warlike hostilities, civil commotion, riots, epidemics, fire, strikes, lockouts, delay, non-performance or breach of the supplier or manufacturer of the Seller for any reason whatsoever, or for any other similar cause or causes. Notwithstanding the foregoing, no occurrence of an event of Force Majeure shall relieve the Buyer of its obligation to make payment for the Goods if the Buyer has agreed to be bound by the Quotation.
10. **INDUSTRIAL/INTELLECTUAL PROPERTY RIGHT** – The Seller shall not be responsible to the Buyer or to any other party for any infringement or alleged infringement of any patent, utility model, design, trademark, copyright or any other industrial/intellectual property right in connection with the Goods. The Seller shall be held free from and indemnified against any dispute alleging infringement of any industrial property right whatsoever or any copyright relating to the Goods in which the Buyer may be involved. Nothing herein contained shall be construed as transferring to the Buyer any patent, utility model, design, trademark, copyright or any other industrial/intellectual property right of the Seller in connection with the

Goods. All such rights are expressly reserved to the Seller.

- 11. COMPLIANCE WITH EXPORT CONTROL REGULATIONS** – (1) If Purchaser transfers goods (hardware and/or software and/or technology as well as corresponding documentation, regardless of the mode of provision) delivered by BAG electronics Inc. or works and services (including all kinds of technical support) performed by BAG electronics, Inc. to a third party worldwide, Purchaser shall comply with all applicable national and international (re-) export control regulations. (2) If required to conduct export control checks, Purchaser, upon request of BAG electronics, Inc. shall promptly provide BAG electronics, Inc. with all information pertaining to particular end customer, destination, and intended use of goods, works and services provided by BAG electronics Inc., as well as any export control restrictions existing. (3) Purchaser shall indemnify and hold harmless BAG electronics, Inc. from and against any claim, proceeding, action, fine, loss, cost and damages arising out of or relating to any noncompliance with export control regulations by Purchaser, and Purchaser shall compensate BAG electronics, Inc. for all those losses and expenses resulting thereof, unless such noncompliance was not caused by fault or the Purchaser. This provision does not imply a change in burden of proof.
- 12. EVENTS OF DEFAULT** – If any one of the following events shall occur: (12.1) failure by the Buyer to perform any provision of the Quotation (including but not limited to the failure to pay any amount when due hereunder) or to perform any provision of any other contract with the Seller, if such failure shall not have been rectified within thirty (30) days after the Seller provides notice of such failure to the Buyer requiring the Buyer to remedy such failure; or (12.2) insolvency, bankruptcy, liquidation or dissolution of the Buyer; institution of any proceeding against the Buyer under the provisions of any insolvency or bankruptcy law or any law for the relief of debtors; appointment of a trustee, receiver or liquidator over any of the Buyer's assets or property; issuance of an order for the attachment of any property of the Buyer; or general assignment by the Buyer for the benefit of its creditors, then the Seller may, without prejudice to the other rights and remedies which it may have: (i) forthwith terminate the Quotation or the contract in whole or in part by notice in writing to the Buyer; (ii) delay or suspend delivery of the Goods; (iii) stop the Goods in transit; (iv) forthwith demand immediate payment of all sums payable by the Buyer under this Contract or any other agreement with the Buyer, whereupon the same shall become immediately due and payable and where the Buyer has an open account with the Seller, such facility shall forthwith be terminated without prejudice to the right of the Seller to recover all sums of money due under the said open account prior to such terminator; and (v) if the Goods have been delivered to the Buyer, require the Buyer to return to the Seller or a person or firm designated by the Seller the Goods or any portion thereof not yet disposed of by the Buyer, and the Buyer shall, until such return is completed, maintain custody of the Goods in good order and at its own expense.
- 13. EFFECT OF TERMINATION** – The Seller may, at its sole discretion, sell or dispose of any and all of the Goods which the Buyer has returned pursuant to subsection (v) of the paragraph above, or of which the Buyer has rejected delivery. The Seller may retain the sum obtained from such sale or disposition and apply such sum against any and all amounts owed by the Buyer hereunder and any other debts of the Buyer to the Seller and the Seller shall forthwith pay the balance thereof, if any, to the Buyer in cash.

14. **JUDICIAL RELIEF / VENUE** – All legal actions or disputes arising out of or relating to this Quotation or the breach thereof, which cannot be amicably settled by the parties hereto, shall be brought before the courts of competent jurisdiction in the City of Biñan Laguna, Philippines, waiving for this purpose any other proper venue. Should the Seller be compelled to seek judicial relief against the Buyer, the latter shall pay the amount equivalent to not less than Thirty Per Cent (30%) of the amount claimed in the complaint as attorney's fees, aside from the cost of litigation and other expenses, costs and all damages which the law may entitle the Seller.
15. **TAX AND DUTIES** – All taxes (including, without limitation, withholding, sales, use, value added, registration, ad valorem, exercise, employment and documentary taxes), customs duties, import surcharges or other governmental charges to be imposed or charged in connection with the sale of the Goods hereunder shall be borne and paid by the Buyer.
16. **NO SET OFF** – The Buyer shall pay the price for the Goods under this Contract without availing itself of the benefit of any right of set-off, counterclaim, recoupment or such other rights which the Buyer may have against the Seller.
17. **ASSIGNMENT** – The Buyer shall not assign, transfer or otherwise dispose of the Quotation or any portion thereof as well as any of its rights, interest or obligations hereunder without the prior written consent of the Seller. The Seller is, however, given the authority herein to assign, transfer, or otherwise dispose of the Quotation or any portion thereof, at its discretion, to any person or entity without need of obtaining the consent of the Buyer. Provided, that the Buyer shall be notified in writing by the Seller of such assignment.
18. **NON-WAIVER** – Except as otherwise specifically provided for in this Contract: (17.1) no failure or delay on the part of the Seller in exercising any right or power under this Contract, or single or partial exercise of any such right or power hereunder, shall operate as a waiver thereof; and, (17.2) no waiver by the Seller of any provision of this Contract shall be effective unless the same has been made in writing and signed by the Seller.
19. **CANCELLATION** – The Seller may cancel the Quotation at any time before the Goods are delivered for any valid reason such as but not limited to the sudden change in availability of the goods by giving written notice to the Buyer. On giving such written notice, the Seller shall promptly repay to the Buyer any sum paid in respect of the Goods. The Seller shall not be liable for any loss or damage whatsoever arising from such cancellation.
20. **NOTICE** - Any notice required to be served pursuant to the Quotation shall be in writing and shall be deemed duly served by either party or on the other if sent by personal delivery, by registered mail or electronic mail to the address specified herein or such other address as the parties hereto may from time to time notify each other in writing.
21. **SEVERANCE** – Any provision of the Quotation and these General Terms and Conditions of Sale which is or may be void or unenforceable shall to the extent of such invalidity or unenforceability be deemed severable and shall not affect any other provision of this Contract.

- 22. **HEADINGS** – All headings are for ease of reference only and shall not affect the construction of this General Terms and Conditions of Sale.
- 23. **ENTIRE AGREEMENT** – The Quotation and these General Terms and Conditions of Sale, when properly signed constitutes the entire and only agreement between the parties hereto with respect to the subject matter hereof and supercedes, cancels and annuls all prior or contemporaneous negotiations or communications.
- 24. **GOVERNING LAWS** – All legal relationships arising from the Quotation as well as any construction or interpretation of the provisions of the Quotation and these General Terms and Conditions of Sale shall be subject to, governed by and construed in accordance with the laws of the Philippines.
- 25. **AUTHORITY** – Herein Buyer represents and warrants that it has full power, authority, and legal right to execute, deliver and perform the obligations and responsibilities in this Quotation and has taken all the necessary corporate action, if a corporation, to authorize the foregoing and authorize the herein signatory to sign on its behalf.
- 26. **CONFIDENTIALITY** – The Seller and the Buyer hereby consider the terms and conditions of this Quotation as strictly confidential and either party shall not divulge the same without prior written consent or approval by the other party, except as otherwise required by a court order or by relevant laws, rules or regulations.
- 27. **STATUTE OF LIMITATIONS** – The mutual claims of the parties herein shall expire by limitation according to the pertinent statutory provisions, unless agreed upon otherwise.

CONFORME:

Seller: BAG electronics, Inc.	
Authorized Signatory	
Signature	
Date	
Buyer:	
Authorized Signatory	
Signature	
Date	