

General Terms and Conditions of Sale

A. Definitions: Sales, deliveries, and other services by Sonopress shall be rendered in accordance with the following general terms and conditions, which shall be deemed to have been accepted by Client when Client places their order with or accepts delivery from Sonopress. These terms shall also apply to all future transactions with Client unless otherwise expressly agreed in writing. In the absence of any express provision to the contrary, if there is any inconsistency between these General Terms and Conditions and other terms of purchase, these General Terms and Conditions shall prevail.

In these General Terms and Conditions, the following expressions shall have the following meanings:

- (a) "Sonopress" shall mean Sonopress Pan Asia Limited, which is a company incorporated and existing under the laws of Hong Kong and has its main business, among others, in the manufacturing and replication of physical media products including optical discs and vinyl records, as well as any other services supporting the packaging, warehousing, distribution, and design and sourcing of materials and merchandise, related to such physical media products and/or other products. Therefore, it is equipped with all necessary facilities, equipment, personnel and elements to adequately render the manufacturing and replication services, as well as the above-mentioned other services in Hong Kong.
- (b) "Client" shall mean a company or party which places an order with Sonopress.
- (c) "Work" means the products and/or services ordered by Client from Sonopress, specified in the applicable quotation, purchase order, statement of work, or other written agreement, including any deliverables and agreed changes.
- (d) Each of Sonopress and Client is a "Party" and, together, they are the "Parties."

B. Quotation and Order

(1) Price: Quotations from Sonopress to Client are based on the accuracy of the specifications provided by Client. A quotation not accepted within 90 days or otherwise specified since its issuance will become inoperative and cannot be accepted by Client without the written confirmation from Sonopress. Prices quoted are based on the present gross cost of materials, utilities, fuel, and current labour rates. If there are any changes in these costs or rates that affect the Work after conclusion of the purchase but prior to its completion, Sonopress shall have the right to adjust the price(s) quoted for that portion of the Work so affected. Prices quoted do not include any additional costs not covered by the quotation, sales tax or any other kind of taxes now in force or hereafter imposed on this transaction. All such additional costs and taxes shall be paid by Client.

Invoices for shipping, transportation, and mailing costs shall be billed with Sonopress's handling fee included and are due and payable upon Client's receipt of the invoice. All other invoices are due and payable within the payment period as agreed between Client and Sonopress. If no period is specified, payment is due net thirty (30) days from the invoice date.

(2) Order: Order placing should be performed formally by Client by way of a duly signed document in writing or by electronic mail. Acceptance of an order shall not be effective unless and until Sonopress communicates the acceptance to Client in writing or by electronic mail, fax or post. Sonopress reserves the right to claim against Client for compensation (if any) should Client cancel the order unilaterally after communication of acceptance by Sonopress to Client. As the contents submitted to Sonopress for production may require the approval of the local government prior to production, Sonopress reserves the right to cancel any order prior to production without any compensation if the contents fail to meet such approval.

(3) Tooling: Unless otherwise specified, all tooling made by Sonopress for the purpose of fulfilling Client's orders is the property of Sonopress.

(4) Client-supplied Materials: Materials supplied by Client or Client's representatives are verified by delivery notes either sent by post or electronic means. Sonopress bears no responsibility for discrepancies made between delivery notes and actual physical counting. Client-supplied materials must be delivered according to instructions furnished by Sonopress. It is the duty of Client to ensure that all input media, artwork, film, drawings, or any other accessories and materials supplied by Client must comply with all applicable laws, regulations, rules and standards and be usable by Sonopress without alteration or repair. Items not meeting these requirements may be altered to fit the purpose either by Client or Client's representatives, or by Sonopress (with or without prior notice by Sonopress to Client). In case of the latter, Sonopress is entitled to bill Client for expenses incurred. In no event shall Sonopress be responsible for any consequences or damages arising out of non-compliance of Client-supplied materials.

Unless otherwise agreed in writing by the Parties, all materials supplied for a Client's order will be destroyed or disposed of by Sonopress after fulfillment of the order. At Client's written request received prior to destruction, Sonopress may store Client-supplied materials for Client's account. Client shall be responsible for all costs and fees associated with such storage (including handling, storage, and insurance, if any), billed at Sonopress's then-current rates. Client acknowledges and agrees that any storage of Client-supplied materials is at Client's risk. Sonopress does not warrant or guarantee the condition, quality, integrity, or usability of Client-supplied materials during or after storage and shall have no liability for loss, degradation, or damage except to the extent caused by Sonopress's willful misconduct or gross negligence.

(5) Directed Purchases: Unless otherwise agreed in writing by Sonopress, all purchases of raw materials and/or services specifically requested, directed, or

authorized by Client for a particular job for Client or for the Work are billable. If Client has appointed designated supplier(s) to supply and deliver parts/accessories to Sonopress directly, Client should ensure that this/these supplier(s) comply fully with all applicable laws, regulations, rules and standards and be usable by Sonopress without alteration or repair prior to delivery to Sonopress. Should this/these supplier(s) not comply with the said requirements, Sonopress shall reserve its right not to accept such parts/accessories of non-compliance, and shall not be liable for any consequences, damages or delay in the delivery of goods as a result thereof.

(6) Customs Clearance: Sonopress will not be responsible for or otherwise pay on behalf of Client any fees, duty or tax that may be levied on the Work or the goods imported to the destination specified by Client.

C. Production

(1) Production/Delivery Schedules: Production/Delivery schedules will be established and followed by both Client and Sonopress. There will be no liability or penalty for the delay on the part of Sonopress in production/delivery if it is due to server failures, software glitches, disputes with copyright owners, labour disputes, or other causes beyond the control of Sonopress. In such cases, production/delivery schedules will be reasonably extended according to the situation by mutual agreement. Sonopress shall not be liable if the delay in delivery is caused by Client's fault or negligence, including but not limited to Client's act or omission of act. Client shall further bear any additional costs incurred as a result of any form of rework caused or initiated by Client.

(2) Client's Property: Sonopress shall not be liable for any loss, deterioration or damage to Client's property, including but not limited to intellectual property, unless the said loss or damage is solely caused by Sonopress's negligence, in which event Sonopress's liability for such property will not exceed the amount recoverable from the relevant product liability insurance. Additional insurance coverage may be obtained if prior request has been made in writing to Sonopress and the premium has been paid by Client.

(3) Experimental Work: It is customary in the industry to charge for experimental or preliminary work performed by Sonopress at Client's request. This work cannot be used without Sonopress's express written consent. The intellectual property rights of all experimental or preliminary work are solely vested in and owned by Sonopress for all purposes.

(4) Indemnification: Client agrees to protect Sonopress from economic losses and any other harmful consequences that could arise in connection with the Work ordered by Client. Client will hold Sonopress harmless and indemnify it against all losses, claims, demands and Court actions (including legal costs on full indemnity basis) as a consequence of the Work ordered by Client.

(5) Intellectual Property Rights: Client acknowledges and agrees that all copyright, trademarks and all other intellectual property rights in all materials revealed or furnished by Sonopress to Client in association with the Work shall remain at all times vested in Sonopress or its licensors. Client is permitted to use such materials only as expressly authorized in writing by Sonopress or its licensors. Any content, design or instruction furnished or given by Client shall not be such as will cause Sonopress to infringe any intellectual property rights. Client shall indemnify and hold Sonopress harmless from any losses, damages or expenses (including all legal costs) that may be incurred in any legal actions and any liabilities connected with intellectual property right infringement involving the Work produced for or provided to Client.

(6) Confidentiality: Both Sonopress and Client shall each keep confidential and shall not without the prior consent in writing of the other disclose to any third party any technical or commercial information which it has acquired from the other as a result of discussions, negotiations and other communications between them relating to the goods and the order, save and except any disclosure required by applicable law, or from making any disclosure to any professional adviser for the purposes of obtaining advice (upon obtaining a similar undertaking of confidentiality from such recipients), or disclosure of any such information which comes into the public domain otherwise than by a breach of this clause.

(7) Personal or Economic Rights: Client also warrants that the Work does not contain anything that is libelous or scandalous, or anything that threatens anyone's rights to privacy or other personal or economic rights, or anything that infringes any statutory law. Client shall, at the Client's sole expense, promptly and thoroughly defend Sonopress in all legal actions or proceedings arising therefrom.

(8) Safety Testing: Client shall be fully responsible for the safety testing of the Work which has not been previously agreed by the parties to be provided by Sonopress. Client is also responsible for placing visible indication of appropriate age group and other relevant information on the Work. In no circumstances shall Sonopress be liable for any losses caused to any third party resulted from Client's failure to perform such responsibilities.

(9) Economic Loss: Notwithstanding anything contained in these General Terms and Conditions or the order, in no circumstances shall Sonopress be liable, in contract, tort, including negligence or breach of statutory duty, or otherwise howsoever, and whatever the cause thereof (i) for any loss of profit, business, contracts, revenues, or anticipated savings; or (ii) for any special indirect or consequential damages of any nature whatsoever.

(10) Limitation of Liability: Notwithstanding anything contained in these General Terms and Conditions or the order, Sonopress's liability to Client in respect of the order, in contract, tort, including negligence or breach of statutory duty, or howsoever otherwise arising, shall be limited to the price of the goods specified in the order.

(11) Terms/Claims/Liens: Claims for defects, damages, or shortages must be made by Client in writing to Sonopress not later than 30 calendar days from the date of the receipt of products by Client. If no such claim is made, Client is deemed to have acknowledged and accepted that the products have complied with all terms, conditions, and specifications set out by Client. As security for payment, Sonopress has a lien on all Client's property in Sonopress's possession including all work-in-progress and undelivered Work until full payment for the Work and any accrued interest.

D. Approved Sample

For any sample presented for approval, there may be variation in actual production in color, dimensions, etc. which should be accepted by Client within reasonable tolerance, unless otherwise expressly stated in the contract or order.

E. Acceptance of Goods

(1) Sample Proofs: Sample proofs will not be furnished unless such a request is agreed in writing in Sonopress's quotation. Sample/ prototype can be submitted for Client's approval only if Client is present at Sonopress's factory to approve the draft proofs. Any production time lost or alterations/corrections made because of Client's delay or change of mind will be charged.

(2) Disclaimer of Express Warranties: Sonopress warrants that the Work is as described in the order and sample proofs. All other warranties, conditions or terms are excluded to the fullest extent permitted by law.

(3) Disclaimer of Implied Warranties: Sonopress warrants only that Work will conform to the descriptions contained in the order and specifications provided by Client. Sonopress's maximum liability, whether arising from negligence, contract, agreement, or otherwise, will not exceed the price of the goods specified in the order. Under no circumstances will Sonopress be liable for specific, individual, or consequential damages. Sonopress's liability for breach of such warranty is limited to, at its option, (i) repairing or replacing the defective articles at no cost to Client; or (ii) crediting Client for the total invoiced amount of the defective articles paid to Sonopress for the specific order.

(4) Material Selection for Vinyl Record Production: Sonopress offers vinyl record production based on both PVC and alternative materials (in particular PET). Unless Client provides explicit written specifications (text form sufficient) regarding the desired material when placing the order, Sonopress is entitled to select the material at its discretion. The decisive criteria shall be the technical suitability for the respective order and compliance with the contractually agreed product specifications. Any subsequent complaints based solely on the choice of material are excluded – unless a different material specification has been expressly agreed in writing – provided that the selected material fulfills the agreed product specifications and does not constitute a material defect.

F. Delivery of Goods

(1) Delivery and Risk: All shipping arrangements and payment terms are expressly stated on Sonopress's quotation which is based on continuous and uninterrupted delivery of the complete order. Sonopress reserves the right to make an additional charge to cover any increase in transportation costs occurring before the date of delivery. The Work is delivered to Client when Sonopress makes it available to Client or any agent of Client or any carrier at shipping point, as specified on the quotation; and the risk in the Work shall pass to Client upon delivery. In the event that shipping information is incorrectly provided by Client, Sonopress shall not be responsible for re-delivery and the costs incurred.

Unless otherwise stated in the quotation, prices quoted contain no charge for storage of finished articles, or other materials furnished by Client. Materials stored for more than 30 calendar days after completion of the Work or order are subject to Sonopress's standard storage charges. Sonopress is not liable for any loss or damage to the stored materials beyond what is recoverable by Sonopress's fire and extended insurance coverage.

(2) Transportation cost for clients' self-supplied accessories: Client is responsible for all costs of transportation of Client-supplied materials, accessories, tools and devices to Sonopress's facilities. In case Sonopress is required to undertake the transportation from any Hong Kong port or any other location to Sonopress's facilities, all costs and expenses so incurred will be reimbursed by Client.

G. Payment Collection

(1) Late Payment: Client should strictly follow the payment terms as stipulated in the quotations irrespective of the shipping arrangements. Client hereby agrees that the failure to pay Sonopress's invoice(s) on its/their due date(s) shall constitute a material breach of these terms and shall entitle Sonopress as of right to immediately hold or cease production/delivery of the Work in this order/contract or any other order(s). In that event, Client shall still be responsible for all costs of and expenses incurred on the finished goods, work-in-process and raw materials of all orders. Furthermore, Client will have to pay to Sonopress on demand upon such breach interest at the rate of 2% per month on the amount(s) then due or outstanding on Client's general account.

(2) Retention of Title: Ownership of goods shall not pass until the price and all other sums due from Client to Sonopress have been paid. However, even though title has not been passed, Sonopress shall be entitled to take legal action against Client for non-payment after the due date.

(3) Royalty Fee: Client is required to give 7 days' written notice to Sonopress before assigning another supplier to produce the products which were originally developed and supplied by Sonopress under any order and is agreeable to pay reasonable royalty fee for the continued use and benefits of the development, upon the request of Sonopress.

H. Others

(1) Force Majeure: Sonopress shall not be liable for any failure to perform any of its obligations under the order due to Force Majeure or Acts of Nature (including fire, flood, earthquake, storm, hurricane or other natural disaster), war, invasion, act of foreign enemies, hostilities (whether war is declared or not), civil war, rebellion, revolution, terrorist activities, government sanction, blockage, embargo, labour dispute, strike, lockout or interruption or failure of electricity or other events outside the reasonable control of the party. Following notification by Sonopress to Client of such cause, Sonopress shall be allowed a reasonable extension of time for the performance of its obligations.

(2) Relationship of the Parties: Client's relationship with Sonopress will be that of independent buyer and seller. Client will not have, and will not represent that it has any power, right or authority to bind Sonopress, or to assume or create any obligation or responsibility, express, implied or by appearances, on behalf of Sonopress or in Sonopress's name, except as herein expressly provided. Nothing stated in these terms and conditions will be construed as constituting Client and Sonopress as partners or as creating the relationships of employer/employee, franchisor/franchisee, or principal/agent between the parties. Client will make no warranty, guarantee or representation, whether written or oral, on Sonopress's behalf.

(3) Use of References: Client grants Sonopress the non-exclusive right to use the Client's name and company logo as well as images of the products manufactured by Sonopress within the scope of this contract for the purpose of self-promotion and as a reference, insofar as these have already been made publicly available by the client. Use is limited to factual, project-related presentations on websites, in Sonopress's own presentations, and in comparable, unpaid company presentations by Sonopress. Use shall be exclusively for reference purposes and shall neither constitute nor imply any partnership, endorsement or exclusive business relationship. Use shall be limited to a reasonable period of time after the end of the order or contract. Client is entitled to revoke the rights granted at any time for good cause.

(4) Effect of Agreement: These General Terms and Conditions are subject to change at the sole discretion of Sonopress without prior notice to Client. Unless there are specific terms expressed to the contrary, if there are any conflicting terms for the transaction under any other agreements between the parties, the terms under these General Terms and Conditions shall prevail. In the event that individual clauses of these conditions should be or become invalid or unenforceable, the validity of the remaining clauses shall remain unaffected. The contracting parties shall replace invalid or unenforceable clauses upon the beginning of their invalidity or unenforceability by economically corresponding clauses, taking into account their mutual interests, as far as statutory.

(5) Applicable Law and Competent Court: This document shall be construed and governed by the laws of Hong Kong Special Administrative Region ("HKSAR"). The parties hereto irrevocably submit to the non-exclusive jurisdiction of the Hong Kong Court. In case of adjudication by a Court of law outside Hong Kong, the foreign Court will have to implement the laws of the HKSAR.

(6) Third Party's Right : No person (being a natural person or legal entity), other than Sonopress or Client (being the parties to the sale and purchase transaction contemplated under the terms hereof) has, or may or will have, any rights under the Contracts (Rights of Third Parties) Ordinance (Cap 623 of the Laws of Hong Kong) (the "Ordinance") to enforce, make or pursue any claim, or enjoy any benefit under any provisions of the agreement hereof. Application of the Ordinance is hereby expressly excluded.