

ThaiCraft Fair Trade Company Limited

Registered Address:

242 Akhan Songkroh,
Akhan Songkroh Road, Sai 15,
Toong Wat Don,
Sathorn,
Bangkok 10120
Thailand.

Tel : + 66 (0) 2 676-0636

Fax : + 66 (0) 2 286-0675



e-mail : export@thaicraft.org

website : www.thaicraft.org

GENERAL TERMS AND CONDITIONS FOR EXPORT SALES

MINIMUM ORDERS:

Generally, ThaiCraft will ship under the terms and conditions set out below (i.e. using FOB prices) on single shipment orders totalling at least eighty thousand Baht (Baht 80,000) or approximately two thousand five hundred US Dollars (US\$2,500) in value. For orders of less value, ThaiCraft will make a fixed charge of five thousand Baht or approximately one hundred and fifty five US Dollars (US\$155) per order to cover extra handling and shipping costs. However, we do not accept total purchase orders of less than forty thousand Baht (Baht 40,000.)

Minimum quantity of orders on individual products varies according to production processes and capacities. This information will normally be given in our catalogue with each product item.

Alternatively, please confirm these with your ThaiCraft Account Executive.

MAKING AN ORDER:

Purchasers are requested to provide orders in a clear format using, as much as possible, English words that are universally understood. If specific colours are requested, please try to include colour samples. Please make sure you give the ThaiCraft product code for each item and, if available, a picture and/or a description with dimensions as a double check. ThaiCraft and our producers really want you to receive each item as you wish it to be. For them, any detail you can supply is helpful.

ThaiCraft will check each order and immediately inform the customer if there is any need for clarification or extra details or if there has been any recent revision in the product prices.

Orders should also clearly state the desired delivery time and the preferred method of shipment.

ThaiCraft will respond on what it considers is a realistic delivery time and will also recommend packing and shipping methods, if this is requested.

PRO-FORMA INVOICE:

On receipt of a customer's order and after any clarifications or revisions have been addressed, ThaiCraft will issue a Pro-Forma Invoice (PI) setting out the order as it will appear in the final invoice. This PI is sent by email (.pdf format) or by fax (if requested) to the customer, who is asked to sign the PI as a contractual approval and return it to ThaiCraft by fax. Production will commence only when the approved PI is returned and the agreed advance payment is received by ThaiCraft. The projected lead time for completion of any production also starts at this time.

FOB:

ThaiCraft quotes "Free on Board" (FOB) prices for port shipping from Bangkok only. "FOB Bangkok" means ThaiCraft takes care of and pays for quality control checking, standard bulk packing in cardboard cartons, transport to the port, shipping agents fees (in Bangkok) as well as the following documentation: invoice, packing list, customs clearance formalities and fumigation (only when legally required). Shipments from other places (outside Bangkok) will incur additional transport and handling charges.

EXTRA DOCUMENTATION:

ThaiCraft will try to obtain extra documents as requested by the purchaser. ThaiCraft's FOB-Bangkok prices do not normally include additional documentation such as certificate of origin, GSP Form A (where applicable), or independent verification tests (silver content, gemstone identification, AZO-free dyes, etc.). For these documents, the purchaser agrees to pay a service charge (minimum of 500 Baht or \$15 per document but please confirm).

PACKING:

FOB includes reasonable bulk packing in an export cardboard carton. Where items need to be individually packed, with or without purchasers' provided labels, this is an extra cost unless ThaiCraft states this is already included in the FOB price. Where a product is fragile, individual and extra bulk packing may be required. In such cases, ThaiCraft will recommend a suitable packing method and quote for any extra charges to the purchaser.

ThaiCraft cannot be responsible for any breakages or other damage to products in transit unless it can be clearly demonstrated that it was as a direct result of ThaiCraft's negligence in reasonable packing or from poor workmanship. ThaiCraft assumes that subsequent carriers will take reasonable care of the consignment and will pack to an acceptable standard accordingly.

DELIVERY DATE:

When ThaiCraft agrees on a production lead time, it does so from the date on which it received the advance payment in the Proforma-invoice. Unless otherwise clarified well beforehand (preferably with the original order), "delivery" means the approximate date of goods delivered on Board a transport facility in Bangkok (i.e. not arrival in the receiving country nor delivered to the purchaser). Both ThaiCraft and the artisans will do their best to keep to production schedules and in most cases manage to do so. If occasionally unforeseen circumstances force a production delay, ThaiCraft will keep the customer informed and give a new estimation of a delivery date.

SHIPMENT:

Shipment ex-Bangkok is the responsibility of the purchaser unless otherwise agreed. ThaiCraft will arrange shipping and insurance only in accordance with the clear and written instructions of the purchaser. ThaiCraft is happy to obtain approximate quotations at cost from different Bangkok-based operators where possible but cannot guarantee its customers shipping prices in advance. Any means of shipment can be arranged by surface or air. Usually, ThaiCraft arranges shipping payment freight collect (by the purchaser on delivery) but should this not be possible and ThaiCraft has agreed to pay in advance, this will be invoiced at cost, plus a small handling charge in some cases.

SHIPPING AGENT:

With freighted shipments, the purchaser must supply ThaiCraft with the name and contact of the receiving agent in the purchaser's country well before delivery is due.

Normally, ThaiCraft will use its own contracted agent in Bangkok to arrange shipments. If the purchaser wishes to use another agent in Bangkok, this can be done providing sufficient advance notice is given and that the nominated agent's handling costs to ThaiCraft do not exceed that of ThaiCraft's own agent. Furthermore, ThaiCraft reserves the right not to use the purchaser's nominated agent in Bangkok if that agent chooses, for whatever reason, not to export the products in the name of ThaiCraft Fair Trade Company Limited (e.g. when consolidating products from several different sources).

If the purchaser wishes ThaiCraft to consolidate a shipment with products the purchaser has obtained from other sources in Thailand, this can only be done by special arrangement and, on occasion, may not be possible. If it is acceptable to ThaiCraft to do this, a service and handling charge will be applicable.

TERMS OF PAYMENT:

For first time orders, ThaiCraft requests full payment, payable within seven (7) days on confirmation of an order (i.e. signed return of ThaiCraft's PI - see above.)

For second time orders, ThaiCraft requests an advance payment, payable within seven (7) days on confirmation of an order (i.e. signed return of ThaiCraft's PI - see above), to at least 50% of the order value, unless another arrangement has been agreed. ThaiCraft will notify the purchaser on the completion of the order and will not despatch goods until the balance of payment has been received from the purchaser, together with any additional charges that have been agreed (e.g. special packing, freight paid in advance, extra documentation).

For subsequent orders, excluding sample orders, 50% advance payment is requested while the remaining 50% balance payment should be settled after quality control in the customer's warehouse. For late payment on all orders, 3% interest per each month outstanding will be applied.

PAYMENTS AND BANK TRANSFERS:

Payments should be made to ThaiCraft Fair Trade Company Limited through its bank account, details of which are shown below. If payment is made by any other money instrument, ThaiCraft will not consider this as being paid until such instrument has been fully cleared in cash or by deposit in ThaiCraft's bank account.

From time to time, ThaiCraft's Bank receives from overseas less than the sum that the purchaser has instructed their bank to transfer, even though the customer may be led to believe all transfer charges have been paid in advance. This is may be because the purchaser's bank has chosen to use an intermediary bank to effect the transfer, which in turn makes a charge. ThaiCraft is not able to verify this deduction through any documentation apart from supplying the customer with evidence of what ThaiCraft's bank actually received from overseas. ThaiCraft will credit customer's accounts only with the exact amounts it receives plus any commissions ThaiCraft's own bank normally applies. Customers are advised to give complete details of ThaiCraft's account when making transfers, including the SWIFT code, and request that only a direct transfer be made without an intermediary bank.

INVOICES:

By prior agreement with ThaiCraft and at the request of the purchaser, Invoices and quotations can be made in Thai Baht, US Dollars, European Euros or British Pounds Sterling. If no agreement is made, ThaiCraft will use Thai Baht for its invoices.

For normal export shipments, Thai Value Added Tax (VAT) is zero rated (i.e. not charged), but this only applies when shipments have been cleared export customs and an export certificate issued. If the chosen method of shipment does not go through these procedures, Thai tax law requires ThaiCraft to collect VAT at the current rate (presently 7% but this can change at any time) from its customers. Some courier services (but not all), EMS and Thai Post, for example, do not have export customs clearance facilities. VAT has also the be applied to hand-carried products.

SAMPLES:

ThaiCraft only sends sample products of products which appear on our most current catalogue and only on request. A sample of most of ThaiCraft's products can be requested for order consideration purposes only. If samples are sourced from ThaiCraft's retail fairs or from ThaiCraft's retail stocks, the full retail price in Thailand is payable, plus VAT if not already included. For other samples, ThaiCraft will ship at the customer's expense, preferably using the customer's courier account number.

ThaiCraft requests payment of samples at retail price (plus Thai VAT, if applicable.)

Minimum quantity of orders on individual sample products varies according to production processes and capacities. This information will normally be given in our catalogue with each product item.

Alternatively, please confirm these with your ThaiCraft Account Executive.

PRODUCT DEVELOPMENT:

ThaiCraft may be willing to consider producing a sample product of 1) a design in past catalogues, 2) a design outside the most current catalogue or 3) a customer's own design, only if the producers involved are willing to pursue with the request. If agreeable, a development charge deposit (in addition to the actual price of sample product) will be required according to type of product development as follows:

- A) Minor Development: a development charge deposit of at least five thousand baht (Baht 5,000) or one hundred fifty five US Dollars (US\$155) per producer group* payable in full in advance. We will allow for adjustment of the sample order twice only.
- B) Major Development: a development charge deposit of at least ten thousand baht (Baht 10,000) or three hundred and ten US Dollars (US\$310) per producer group* payable in full in advance. We will allow for adjustment of the sample order three times only.

ThaiCraft and our producers reserve the right to identify the type of product development and the actual development charge of the product being requested. The request must be accompanied by a design brief (including visuals) that is as detailed as possible. ThaiCraft will not produce more than three adaptations or corrections of any design unless there is a higher minimum quantity of orders on individual sample products. In this latter case, that required minimum quantity must be produced. The development charge deposit will only be refundable if, consequentially, an order for a product from the sample of the specific producer group of no less than 30,000 Baht or US\$ 950 is made by the same customer within six (6) months of the final sample being shipped. (However, total purchase orders must be subject to a minimum value – see above.)

* producer group = any one of the supplying partners of ThaiCraft – usually with one type of craft skill

Please give the following details to your transferring Bank:

ThaiCraft Fair Trade Co., Ltd.
242 Akhan Songkroh Road, Sai 15
Toong Wat Don, Sathorn, Bangkok 10120 Thailand.

Tel: +66 (0)2-676-0636 Fax: +66 (0)2-286-0675

e-mail : export@thaicraft.org

ACCOUNT NO. 715-2-37687-6 (Savings account)

SWIFT CODE : KASITHBK

KASIKORNBANK PUBLIC CO.,LTD.,
for THANON CHAN BRANCH
1 Soi Kasikornthai, Radburana Road
Radburana, Bangkok 10140 Thailand.

Please strongly request that a DIRECT transfer is made and NOT through an intermediary Bank.

July 2007