



# **TERMS OF REFERENCE (TOR)**

**TOR No. HPC-TSP-TOR-MNG-26-02-Rev.0**

## **MINING CONVEYOR BELT AND SPLICING KIT CONSUMABLES Y2026**

**Supply and Delivery Conveyor Belts for Waste Line 2 Handling System (WL2), Coal Handling System (CHS) and Ash & Gypsum Handling Systems (AGHS)**

**28<sup>th</sup> February 2026**

**Hongsa Power Company Limited**

[www.hongsapower.com](http://www.hongsapower.com)

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**INVITATION FOR BID PROPOSAL****Supply and Delivery Conveyor Belts for Waste Line 2 Handling System (WL2), Coal Handling System (CHS) and Ash & Gypsum Handling Systems (AGHS)**

Hongsa Power Company Limited (the “**HPC**”) was established in 2009 by Banpu Power Limited (BPP), RH International (Singapore) Corporation Pte. Ltd. is a subsidiary of RATCH Group Public Company Limited (formerly named as Ratchaburi Electricity Generating Holding Public Company Limited) and Lao Holding State Enterprise (LHSE) for the project operation of 1,878 MW coal-fired mine mount power station to develop and operate for supplying sustainable source of energy in Laos and Thailand.

Hence, on behalf of HPC, I am pleased to invite your company to submit bid for the Supply and Delivery of Conveyor Belts for Waste Line 2 Handling System (WL2), Coal Handling System (CHS) and Ash & Gypsum Handling System (AGHS) (the “**Mining Conveyor Belts and Consumables Y2026**”) required for the Mining Conveyor Belt Replacement of Mining Conveyor System of Hongsa Mine Mouth Power Plant, located in Hongsa District, Xayabouly Province of the North-West of Lao PDR (the “**Hongsa Site**”).

The Bid Proposal shall be submitted in duplicated manner of the attached forms in the TOR Documents only (please press CTRL key and then click this link: [TOR No. HPC-TSP-TOR-MNG-26-02-Rev.0 Mining Conveyor Belts and Consumables Y2026](#)) and send through courier service or postal service to HPC’s office addresses in accordance with the instructions specified in Sub-Clause 3.4 (Required Submittal Documents) and Sub-Clause 3.5 (Submission of Bid Proposal) of this Terms of Reference (the “**TOR**”), not later than 05:00 PM Laos Standard Time (LST) on the closing date of **13<sup>th</sup> March 2026**, provided that late submission of the Bid Proposal may not be considered under any circumstances.

Currently, HPC has operated its power plant stations for almost 10 years foregoing the commercial operation since 2015. Your company can access and view HPC’s certain commitment and information at official company our website ([www.hongsapower.com](http://www.hongsapower.com)). In addition, your company may request additional information for the performance of your Bid Proposal during the Bidding Period.

Kind regards,

Mr. Pratheep Yoknamngoen

Chairman of Procurement Committee Level 3 (PC 3)

for, and on behalf of the Procurement Committee’s Hongsa Power Company Limited

## 1. INTRODUCTION

### Background

Hongsa Mine Mouth Power Plant serves as a part of the development of 1,878 MW coal-fired power project to supply electricity to Laos and Thailand, located in Hongsa District, Xayabouly Province of the North-West of Lao PDR (the “**Hongsa Site**”), and includes all the project facilities related thereto (together, the “**Hongsa Project**”) in the National Power Development Program of Laos. Hongsa Project comprises, not only the Power Plant but also of 500 kV Transmission Lines, 500 kV Substation, 115 kV Substations, Coal Mine, 2 Dams and Water reservoir including varieties of equipment, spare parts, and tools for the Hongsa Project.

Overall, this Terms of Reference (the “**TOR**”) is orderly prepared to provide enquiries and invite qualified companies for the Bidding Process by following the intention of this TOR.

### Objective

Hongsa Power Company Limited (the “**HPC**” or “**Employer**”) requires the Supply and Delivery of Conveyor Belts for Waste Line 2 Handling System (WL2), Coal Handling System (CHS) and Ash & Gypsum Handling System (AGHS) (the “**Mining Conveyor Belts and Splicing kit Consumables Y2026**”) required for the Mining Conveyor Belt Replacement of Mining Conveyor System of Hongsa Mine Mouth Power Plant (the “**Goods**”).

According to Agreement with HPC, HPC requires the Conveyor Belts provide for the Mining Conveyor Belt Replacement of Mining Conveyor System.

HPC issues this TOR for the bidding process and persuades the qualified companies (hereinafter referred to as the “**Bidders** or **Bidder**”), having the capability to perform the Works as described herein, who received the TOR Documents to propose bid in technical and commercial aspects thereafter to HPC by strictly following the stipulated instructions and formats indicated in Clause 3 (Part I – General Terms) of this TOR.

HPC strongly desires to maintain the high level of objective for the selection of the successful Bidder to provide high performance of the contract as the specifications and requirements. The successful Bidder shall be responsible for the Works including supporting documents, to the technical standards and requirements stated in Annex II (Technical Bid Form) of this TOR, using the best modern practices to ensure that such Works shall be in accordance with the technical specification and meet the other relevant requirements of HPC.

## 2. ELIGIBLE BIDDERS

The bidding is opened to all firms, either sole proprietorship, partnership, corporation, joint venture or in consortium (joint venture of several companies), who satisfies the following qualifications required by HPC:

- i. Have been invited and received the TOR Documents supplied by HPC;
- ii. Have a least fifteen (15) years of experience in design, engineering, manufacturing, and fabrication and/or three (3) years of experience as Authorized Distributor for supply and delivery of Goods and/or Works specified herein;
- iii. Have a registered capital of not less than five million (5,000,000.00) THB (Thai Baht) or equivalent Acceptable Currency or prior experiences in working with HPC or any contractor under Hongsa Project in relevant scope of works in the contract value not less than five million (5,000,000.00) THB (Thai Baht) or equivalent Acceptable Currency;
- iv. Have strong experience in projects similar to Mining Conveyor System application of HPC; and
- v. Manufacturers and Bidders shall have an export license and import license respectively for the required Goods.

Other than the required qualifications specified above, the Bidders shall satisfy the following qualifications required by HPC:

- vi. Be a juristic person, duly and legally incorporated;
- vii. Have the business objective in carrying on the scope of Works related to the TOR's objective (supply and/or services);
- viii. Have the legal authority to execute the Bid Proposal according to this TOR;
- ix. Not be a bankrupt or liquidated company;
- x. Have adequate finances to perform the scope of Work as described in this TOR;
- xi. Have never breached any contract/agreement or any work to HPC, HPC's counterparties or HPC's other suppliers or contractors;
- xii. Have not shared any collusive information with other Bidders and committed any action in obstruction of the fair competition;
- xiii. Not have a business, financial, personal, or other interests to HPC's activities, the project or others that related thereto; and
- xiv. Have not been included in HPC's blacklisted companies.

Lastly, any Bidders who submit any fraudulent documents to HPC or misrepresented any documents shall be deemed disqualified in all cases.

*- Intentionally omitted -*

### **3. HPC'S REQUIREMENTS (PART I - GENERAL TERMS)**

#### **3.1 BIDDING PROCESS AND CONDITIONS OF BID**

##### **Bidding Process**

The TOR Documents are distributed to the Bidders by means of e-mail, USB flash drive and/or through HPC. The Bidders shall propose the technical and commercial aspect based on the provided information, guidelines, tables and forms by HPC or as specified herein. The Bidders shall then submit the Bid Proposal to HPC in accordance with the schedule as specified in Sub-Clause 3.20 (Bidding Schedule).

HPC reserves the right to accept or reject all or any parts of the Bid Proposal without assignment of any reasons whatsoever. Moreover, HPC is also entitled to verify all statements, information and documents submitted by the Bidders in response to the requirements in the TOR provided that any such verification or lack of such verification by HPC to undertake such result shall not relieve the Bidders of their obligations or liabilities nor will affect any rights of HPC.

##### **Addenda**

No amendment to the TOR Document, shall be effective unless in the form of a written addendum thereto issued by HPC.

An addendum may be notified by HPC in writing, facsimile transmission, or e-mail. HPC may, in its discretion, extend the Bidding Period to allow the Bidders to consider the addenda.

The Bidders shall acknowledge, in its Form of Bid, the receipt of each and all addendum to the TOR Document issued by HPC and received by Bidder during the Bidding period.

##### **Cost of Bid**

For Bid Proposal Submission, the Bidders acknowledge that the Bid Proposal is entirely at their own costs and expenses. HPC is not responsible for payment of any costs and/or expenses incurred by such preparation and submission of Bid Proposal by the Bidders.

##### **Currency, Language and Bidding Process Fees**

- All prices in the Bid Proposal shall only be quoted in Acceptable Currency (i.e. EUR, USD and/or THB).
- Unless otherwise specified by HPC, all Bid Proposal including the supporting information and/or documents should be written in English. If any supported

document attached is translated and in case of any ambiguity, the translation (original as translated by the Employer) shall prevail.

- The Bidders are not required to pay any Bidding Process Fees.

### **Discrepancies, Errors, and Omissions**

In the event that the Bidders finds any discrepancies, errors or omissions in the TOR Documents, or requires clarification of the information specified in the TOR Documents, the Bidders shall notify HPC no later than **3<sup>rd</sup> March 2026** in writing through e-mail.

HPC is going to respond in writing through e-mail (with a copy to others) to any notification that is received within **6<sup>th</sup> March 2026**. Inquiries for bidding or technical nature may be directed, in the first instance by e-mail to:

Project Owner: Mr. Isara Teeravisukul  
Senior Officer – Mine Facility and Spare part Management

E-mail: Isara\_T@hongsapower.com

Mobile No.: +856 20 5244 1966 (Lao P.D.R.)

### **Acceptance and Rejection of Bid Proposal**

Please be noted that if HPC had specified the required technical specifications in Annex II (Technical Bid Form) of this TOR to be irrevocable as highlighted in yellow color, the Bidders shall strictly follow these requirements. If the Bid Proposal submitted by the Bidders have any deviation against the irrevocable requirements, the Bidders shall be given a chance by HPC to clarify and comply with the requirements within seven (7) days after the evaluation of its technical bid proposal for consideration. If a Bidder fails to do so, its bid proposal shall not be further considered.

HPC reserves the right, at its sole discretion and judgement, to accept the proposal that is most responsive and best offer, or to reject any or all proposals that are not responsive, or to waive minor irregularities and informalities in any proposal submitted or to annul the bidding process on the date and time as designed in the TOR due to changes in the procurement plan, without incurring any liability to the affected Bidders.

Notwithstanding, HPC shall not be bound to award the contract to the Bidder who has submitted the lowest price proposal. HPC will take into account all evaluation factors such as compliance with requirements in this TOR, technical capabilities, financial qualification and competency of the Bidders including other relevant factors as HPC deems appropriate to

execute the Works promptly and vigorously in such manner as to secure delivery of Goods and/or completion of the Works within the specified timeframe.

Moreover, HPC reserves the right to separate its order into several Purchase Orders for different amounts and/or for the selected items to different successful Bidders and/or to remove any part of Scope of Works that are specified herein and in the TOR Documents after the Bid Evaluation Process is completed to fulfil its business profit and comply with its budget utilization plan.

### **3.2 SCOPE WORKS**

The scope of Works will be further broadly performed by the successful Bidder according, but not limited to the following manner:

- i. Supply of Goods shall cover the materials required for the manufacturing of Goods specified in Annex I (Price Bid Form) of this TOR including, but not limited to other relevant Components and Services which are necessary to complete the Works.
- ii. Prior to the manufacturing, the required drawings, technical data sheets and other relevant documents specified in Annex IV (Documents Submission Form) of this TOR shall be submitted to HPC for review and approval of HPC.
- iii. The successful Bidder shall also be responsible for the required inspections and tests as specified in Annex II (Technical Bid Form) of this TOR after the manufacturing of Goods and prior to delivery to the Delivery Address specified in Sub-Clause 3.6 and Annex III (Commercial Bid Form) of this TOR.
- iv. Delivery of Goods to Hongsa Site, Lao PDR by the successful Bidder shall cover the transportation, forwarding, customs duties, and clearance expenses under DDP Incoterms® 2020 as specified in Annex I (Price Bid Form) and Annex III (Commercial Bid Form) of this TOR.
- v. The required Final Technical Data Sheets, Test Reports and other relevant documents specified in Annex IV (Documents Submission Form) of this TOR shall be submitted by the successful Bidder to HPC after the manufacturing and delivery of Goods to the Delivery Address.

*- Intentionally omitted*

### 3.3 TOR DOCUMENTS

The TOR Documents issued by HPC to Bidders shall be comprised of the documents specified in the following list below including other documents that are required by the conditions and shall be submitted by the Bidders together with Bid Proposal:

- 1) Invitation for Bid Proposal
- 2) Introduction and Background
- 3) Bidding Process and Conditions of Bid
- 4) HPC's Requirements
  - 4.1) Part I: General Terms; and
  - 4.2) Part II: Work Obligations and Reference Technical Documentation.
- 5) Bid Proposal Forms
  - 5.1) Annex I: Price Bid Form;
  - 5.2) Annex II: Technical Bid Form;
  - 5.3) Annex III: Commercial Bid Form; and
  - 5.4) Annex IV: Documents Submission Form.
- 6) Schedules to TOR Documents
  - 6.1) Schedule I: General Conditions of Contract for Procurement of Works; and
  - 6.2) Schedule II: Form of Performance Security.

The TOR Documents downloaded from the OneDrive Shared Link specified below.

- [TOR No. HPC-TSP-TOR-MNG-26-02-Rev.0 Mining Conveyor Belts and Consumables Y2026](#)  
*- Intentionally omitted*

### 3.4 REQUIRED SUBMITTAL DOCUMENTS

The Bidders shall submit the following documents to HPC in accordance with the instructions specified in Sub-Clause 3.4 (Submission of Bid Proposal) herein but are not limited to:

**i. Price Proposal Documents (Envelope 1)**

- a) Printed copy of the Quotation with official heading of the Bidder's company;
- b) Printed copy of the completely filled-up Annex I (Price Bid Form); and
- c) USB Flash Drive containing the PDF file of the Quotation and Excel File of the completely filled-up Annex I (Price Bid Form).

**ii. Technical Proposal Documents (Envelope 2)**

- a) Printed copy of the completely filled-up Annex II (Technical Bid Form) and Annex IV (Document Submission Form);
- b) Printed copies of preliminary drawings, technical data sheets and other supporting documents specified in Annex IV (Documents Submission Form); and
- c) USB Flash Drive containing the Excel File of the completely filled-up Annex II (Technical Bid Form) and Annex IV (Documents Submission Form), PDF files of preliminary drawings and technical data sheets, and PDF files of other supporting technical documents.

**iii. Commercial Proposal and Corporate Documents (Envelope 3)**

- a) Printed copy of the completely filled-up Annex III (Commercial Bid Form);
- b) Printed copies of the Corporate Documents specified in Annex IV (Documents Submission Form); and
- c) USB Flash Drive containing the Excel Files of the completely filled-up Annex III (Commercial Bid Form) and the PDF Files of copies of Corporate Documents.

The above documents shall be certified by the signature of the authorized person and affixed with the company seal of the Bidder.

HPC provides to the Bidders one (1) complete set of TOR Documents as electronic format. However, the Bidders shall immediately return all TOR Documents and materials provided by HPC including copies to Procurement Division of HPC in case of the following conditions:

- If a company invited to Bid, determines that it will not do so;
- If a Bidder has been notified that the Bid has been unsuccessful by HPC; and/or

- Upon request in writing by HPC.

### 3.5 SUBMISSION OF BID PROPOSALS

- i. The Bid Proposal shall be submitted in three (3) separate sealed envelopes:
  - a) **Envelope 1 (Price Proposal):** This sealed envelope shall contain the Quotation and other Price Proposal Documents;
  - b) **Envelope 2 (Technical Proposal):** This sealed envelope shall contain Technical Proposal Documents; and
  - c) **Envelope 3 (Commercial Proposal and Corporate Documents):** This sealed envelope the Commercial Proposal Documents and Corporate Documents.
- ii. Prior to submission of the Bid Proposal, the Bidders shall thoroughly review and study the entire Bid Documents as well as the attachments and deeply comprehend the conditions as stipulated herein.
- iii. The original copies of the Bid Proposal shall be sealed and labelled in the envelopes by the Bidders according to the following details:

**“The Procurement Committee of Mining Conveyor Belts Y2026”**

**Bid Proposal for TOR No. HPC-TSP-TOR-MNG-26-02-Rev.0\_Mining Conveyor Belts Y2026**

Envelope 1: Price Proposal

Envelope 2: Technical Proposal

Envelope 3: Commercial Proposal

If the Bidder submits the unsealed Bid Proposal to HPC without HPC's request/consent such proposal may not be considered by HPC.

- iv. The submission of the Bid Proposal shall be lodged and addressed to the following HPC's personnel and office addresses specified below, no later than 05:00 PM local time on the closing date of **13<sup>th</sup> March 2026**.

**Hongsa Power Company Limited**

Contact Person: Ms. Phannipa Kiatbumrung (Division Manager - Procurement)

Vientiane Address: NNN Building 4<sup>th</sup> Floor/Room No. D5, Boulichan Road, Phonsinouan Village, Sisattanak District, Vientiane Capital, Lao PDR; or

Nan Address: 3/37-38 Woravichai Road, Nai-Wieng District, Muang Nan, Nan Province 55000, Thailand; or

Hongsa Address: Phonchan Office, Hongsa District, Xayaboury Province, Lao PDR

- v. For the determination of the deadline for the Bid Proposal submission, HPC reserves the right to consider, as it deemed appropriate, any Bid Proposal submitted by the Bidders later than specified time herein, only if such Proponent notifies a reason for the late submission to HPC for its consideration no later than **27<sup>th</sup> February 2025**. If, at the elapsed submission date, the Bid Proposals are submitted to HPC without HPC's request/consent, such bidder may be deemed as the violation of this bidding process.

*- Intentionally Omitted -*

### 3.6 DELIVERY AND SHIPMENT

- i. Except otherwise specified by HPC, the Goods shall be delivered to the Delivery Address no later than the Date of Delivery specified in the Purchase Order after contract award to the successful Bidder according to the following conditions:

- **Applicable Incoterms Rule**

The successful Bidder shall deliver the Goods to the Place of Delivery under DDP Incoterms® 2020 as deemed appropriate by HPC as specified in Annex III (Commercial Bid Form) of this TOR.

- **Delivery Address**

The successful Bidder shall deliver the Goods to HPC Mine Inventory Warehouse, Hongsa District, Xayabouly Provinces, Lao P.D.R. as specified in Annex III (Commercial Bid Form) of this TOR.

- **Date of Delivery**

The successful Bidder shall deliver the Conveyor Belt to the Delivery Address not later than one hundred and eighty (180) calendar days after the Vendor has received the Notice to Proceed from HPC or not later than the Date of Delivery specified in the Purchase Order issued by HPC as required in Annex III (Commercial Bid Form).

The successful Bidder shall deliver the Splicing kit and Consumables to the Delivery Address not later than one hundred and eighty (90) calendar days after the Vendor has received the Notice to Proceed from HPC or not later than the Date of Delivery specified in the Purchase Order issued by HPC as required in Annex III (Commercial Bid Form).

- ii. Unless otherwise agreed in writing by the parties, the risk, right and responsibility of each party under the TOR shall be according to the applicable Incoterms® 2020.
- iii. Unless otherwise instructed by HPC in writing, any partial shipment of Goods shall not be allowed.

*- Intentionally Omitted -*

### **3.7 BID EVALUATION PROCESS AND CONDITIONS**

#### **Bid Evaluation Process**

The Bidders shall respond to all requirements in the TOR to the maximum extent possible to ensure that all aspects of the evaluation criteria are covered. HPC also encourages the Bidders to expand their responses to include details of technical infrastructures, standards, and key differentiators.

Moreover, the Bidders are required to clearly identify the limitations and expectations of the specifications and requirements inherent in the proposed Bid Proposal.

Any Bidder who submits the documents and information that does not comply with the materials, conditions and specifications specified in HPC's requirements, shall be rejected from the determination.

#### **Bid Evaluation Process Conditions**

The conditions of Bid Evaluation Process shall be as follows:

##### **Bid Opening**

- i. The bid is going to be opened after 05:00 PM on the next date of closing date of Bid Submission, provided that the Bid Opening is internally done in private.
- ii. In the event that any Bid Proposal is received after the time set for the receipt of Bid Submission, the Bid Proposal may be returned, unopened or retained for consideration entirely at the discretion of HPC.
- iii. Related information from the examination, clarification, and evaluation of Bid Proposals and recommendations concerned on the award are entirely confidential to HPC and shall be under no obligation to disclose the information to any of the Bidders.

##### **Clarification and Evaluation of Bid Proposal**

- i. To assist on the examination, evaluation, and comparison of Bid Proposal, HPC may, at its discretion, inquire any of the Bidders for clarification of their Bid Proposal. However, the requested clarification and response shall be in writing by e-mail, and no change in the Price or substance of the Bid Proposal, shall be sought, offered or permitted.
- ii. The Bidders may be requested to participate in the Bid Evaluation meeting at the site in Laos, Nan Office in Thailand, or Tele-Conference (if required).

- iii. HPC may waive any informality in any of the Bid Proposals it has received and reject any and/or Bid Proposal without assigning reasons, therefore.

### **Right to Negotiation**

- i. HPC may, at its discretion, negotiate with any Bidders after the Bid closing.
- ii. During the Bid evaluation period, HPC may negotiate with the Bidders to vary some aspect of HPC's specification and requirements or the Bidders Bid Proposals, including but not limited to conditions of contract, scope of work, capability, costs and effectiveness or matters that related to the combination of part of the Bid Proposal with another of Bid.

### **Bid Evaluation Criteria**

The Bid Evaluation Criteria for the selection of Bidder to be awarded of project are as follows:

- i. Qualification of Bidder  

The completeness and qualification of the following corporate documents, including but not limited to Bidder's company profiles, experiences or reference projects, financial statement and current asset value, statement of capability, organization chart and proposed safety, quality management system and procedures.
- ii. Technical Bid Evaluation
  - a) The completeness and conformance of the Bidder with the technical requirements as specified in Annex II (Technical Bid Form) of this TOR; and
  - b) The completeness and conformance of the Bidder with the submission of required preliminary technical documents as specified in Annex IV (Document Submission Form) of this TOR.
- iii. Commercial Bid Evaluation
  - a) The completeness and conformance of the Bidder with the commercial requirements as specified in Annex III (Commercial Bid Form); and
  - b) HPC reserves the right for consideration of any portion of such commercial bid in its entire benefit.
- iv. Price Bid Evaluation
  - a) The Price of Goods for all relevant costs and expenses proposed by the Bidder as specified in Annex I (Price Bid Form); and

- b) HPC reserves the right not to accept the lowest price or any portion of the price or the entire proposed price.

### **Bid Evaluation Process**

Upon the qualification of Bidders in the technical and commercial aspects of Bid Evaluation Criteria, HPC shall consider and examine the price bid evaluation by using the results from the scoring criteria as solely designed by HPC.

- i. If the rates and prices specified in the Price Bid Proposal are non-conformance with the information provided in the TOR Documents or is not reasonable and inconsistent with any of the type, size, dimensions of Goods and/or Services to be further supplied, HPC may disqualify such Bidder.

In consideration of the assessment of the appropriate Bidder to enter the Contract, HPC shall be entitled to request for the rates and prices declaration, status and other facts relating to the Bidder. However, HPC reserves the right to reject the Price Bid Proposal or enter the Contract with the Bidder in case that the evidence is inappropriate and/or incorrect.

- ii. HPC still reserves the right to reject the lowest Price Bid Proposal or some portion of the price or the entire Price Bid Proposal at its own discretion based on the best benefit of HPC.
- iii. If in case that the lowest Price Bid Proposal submitted by a Bidder is beyond expectation of HPC, which may likely result in the inability of the Bidder to perform the Works and/or Services specified in this TOR, HPC may request the Bidder to explain and present evidence, to increase the credibility of the ability of that Bidder to fully fulfill the obligations. If the explanation is not reasonable or justifiable, HPC, at its own discretion, is entitled to reject the Price Bid Proposal of that Bidder.
- iv. The Bidders acknowledge and accept that the selection process is in the full authority of HPC's own decision.

### **Bid Proposal Validity Period**

Bid Proposal shall remain valid for a minimum period of one hundred twenty (120) calendar days from the expiration of the proposal submission date as specified in Annex III (Commercial Bid Form) of this TOR.

*- Intentionally Omitted -*

### 3.8 WARRANTY

Unless otherwise stated in this TOR, the successful Bidder warrants to HPC the Goods and/or Works in accordance with the following:

- i. The successful Bidder warrants to HPC that title of the Goods and/or completed Works shall be passed to HPC with good and clean title thereof after the Goods have been delivered to the site and accepted by HPC. At the time of passing title to HPC, the Goods will be of good quality and free from any defects in materials, workmanship and title.
- ii. The successful Bidder shall warrant the proper functionality of the Goods and/or completed Works for not less than the required Warranty Period specified in Annex III (Commercial Bid Form) of this TOR starting from the date immediately following the date of acceptance of the Goods by HPC as evidenced by the Acceptance Letter (the **“Warranty/Defect Notification Period”**).
- iii. The successful Bidder shall provide HPC the Warranty Certificate stating the warranty conditions and claim policies for the Goods and/or completed Works.
- iv. as a prerequisite prior to processing of the final payment.
- v. In relation to repair or replace parts furnished under accepted Warranty Claim by the successful Bidder, the relevant Warranty Period shall, in relation to such repaired or replacement parts, be extended for a further period of one (1) year from the date such repaired, or replacement parts are furnished.
- vi. In case that the successful Bidder does not rectify such defect, HPC shall reserve the rights to rectify and/or remedy by itself at the successful Bidder's costs and expenses.
- vii. At any time during the warranty period, HPC has the right to examine, inspect and test the performance of Goods and/or completed Works. The result of such inspection and testing of Goods and/or completed Works shall be satisfied to HPC with the required warranty conditions as stipulated in.

*- Intentionally Omitted -*

### 3.9 PAYMENT

Unless otherwise specified in the Annex I (Price Bid Form) of this TOR, the Price Bid Proposal for the Goods and/or Works shall be quoted on a lump sum price basis. In the event that HPC requested more details, the Bidders shall submit an itemized price break-down on an all-inclusive basis covering all the items and services necessary for the successful completion of the Goods and/or Works to be provided.

- i. For consideration of the Price Bid Proposal, the Bidders shall completely fill up the Annex I (Price Bid Form).
- ii. In consideration of payment progression shall be payable to the successful Bidder in compliance with the conditions for payment terms specified in Annex III (Commercial Bid Form) of this TOR.
- iii. Subject to this TOR, all payments for the Goods payable to the successful Bidder shall be made as the following conditions:
  - a) If an invoice is submitted to HPC during the date of 1<sup>st</sup> to 15<sup>th</sup> in any month, the payment of such invoice will be paid on the date of 10<sup>th</sup> of the following month.

In this regard, when there is the case that such submitted invoice is incorrect of the work performed or goods procured is not in compliance with the requirements provided under the contract, the bidder could be entitled to receive the payment on the same due date **only on the conditions that** such invoice is revised to HPC's satisfaction or the work has been performed or the goods has been procured in compliance with the requirements thereof; and that the revised invoice is re-submitted to HPC within the date of 15<sup>th</sup> of such month.

- b) If an invoice is submitted to HPC during the date of 16<sup>th</sup> to 31<sup>st</sup> in any month, the payment of such invoice will be paid on the date of 25<sup>th</sup> of the following month.

In this regard, when there is the case that such submitted invoice is incorrect of the work performed or goods procured is not in compliance with the requirements provided under the contract, the bidder could be entitled to receive the payment on the same due date **only on the conditions that** such invoice is revised to HPC's satisfaction or the work has been performed or the goods has been procured in compliance with the requirements thereof; and that the revised invoice is re-submitted to HPC within the end of such month.

- iv. The Bidders shall specify the proposed Payment Terms as stated in Annex III (Commercial Bid Form) of this TOR. The proposal that will comply with the preferred Terms of Payment shall be primarily considered by HPC. HPC does not prefer to accept Letter of Credit as Term of Payment.
- v. The Credit Term for processing the payment shall be as specified in Annex III (Commercial Bid Form) of this TOR, which is subject to the company's payment cycle.

*- Intentionally Omitted -*

### 3.10 PERFORMANCE SECURITY

#### **Bid Security**

Not Applicable.

#### **Advance Payment Bond**

Subject to the payment conditions, HPC will make an advance payment to the successful Bidder in the amount (the “**Advance Payment**”) that was proposed and agreed in the Payment Terms as specified in Annex III (Commercial Bid Form) of this TOR, provided that the successful Bidder shall submit an Advance Payment Bond issued by the reliable bank or financial institution acceptable to HPC, substantially in the form and substance specified in Sub-Clause 5.2 (Schedule II: Form of Performance Security) herein, having the equivalent amount of the Advance Payment.

The term of validity of Advance Payment Bond shall be from the date of issuance to not earlier than thirty (30) days after the Date of Delivery and shall only be released to the successful Bidder within thirty (30) days after the Advance Payment have already covered by the deduction of its payment or the expiry of the validity or termination of the Contract including its extension thereof.

#### **Performance Bond**

Not Applicable.

*- Intentionally Omitted -*

### 3.11 RETENTION MONEY

Not Applicable.

*- Intentionally Omitted -*

**3.12 GOOD ENGINEERING PRACTICES / NATIONAL OCCUPATIONAL STANDARD**

Not Applicable.

*- Intentionally Omitted -*

### 3.13 ENTER INTO CONTRACT

- i. During the Bidding Process, the Bidders shall deem to itself and confirm that it has read, understand, and accept the preliminary terms and conditions set forth in the General Conditions of Contract as specified in Sub-Clause 5.1 (Schedule I) enclosed herein. If in case that the Bidders have comments and desires to amend some parts of the terms and conditions, the Bidders shall inform HPC by specifying their respective comments about the preliminary terms and conditions on the Annex III (Commercial Bid Forms) of this TOR.
- ii. After the Bidding Process has been completed as specified in Sub-Clause 3.20 (Bidding Schedule) herein, the Letter of Award (LOA) or Letter of Intent (LOI) may be issued by HPC to the successful Bidder to advise it of HPC's intent to award a contract of this project prior to entering into the contract thereto.
- iii. The parties are responsible for preparing the contract upon the terms and conditions as preliminary set forth in the General Conditions of Contract as specified in Sub-Clause 5.1 (Schedule I) herein.
- iv. The successful Bidder shall provide HPC the Performance Security in the amount and conditions as specified in Sub-Clause 3.10 (Performance Security) herein on or before the contract execution.
- v. Subject to Lao PDR Laws requirements, the successful Bidder shall register a temporary tax identification number and shall be the corporate income tax in Lao PDR and any other requirements that are necessary or need to be complied under a) HPC Concession Agreement and b) Lao PDR Laws.

*- Intentionally Omitted -*

### 3.14 CONFIDENTIALLY AND INTELLECTUAL PROPERTY

The information in this TOR Document is considered confidential by HPC. The implementers shall use the information only as it pertains to completing the Bid Proposal and MUST not disclose it to any third party without the written consent of the HPC.

All Bidders shall treat the TOR Document as confidential and shall be circulated to as few persons and other organizations as possible, compatible with the Bidder's ability to submit the best commercial Bid.

The Bidders shall keep confidential all documents, drawings and other information supplied by HPC as marked "**Confidential**" and shall not disclose such information or items to a third party except as may be required by law or for the proper execution of the work.

Ultimately, the conditions above shall survive the termination or expiration of the TOR Documents.

*- Intentionally Omitted -*

### 3.15 CONTACT PERSONS

The following HPC personnel shall be the point of contact for any queries relating to the commercial and technical part of the TOR Documents during the bidding period.

#### Commercial Part

Contact Person: Ms. Phannipa Kiatbumrung  
(Division Manager - Procurement)  
E-mail: Phannipa\_K@hongsapower.com  
Contact No.: +856 20 5244 1809 (Lao P.D.R.)

#### Technical Part

Contact Persons: Mr. Isara Teeravisukul  
(Senior Officer – Mine Facility and Spare part Management)  
E-mail: Isara\_T@hongsapower.com  
Contact No.: +856 20 5244 1966 (Lao P.D.R.)

Contact Persons: Mr. Nattakorn Subunpavong  
(Senior Officer - Mine Facility and Spare part Management)  
E-mail: Nattakorn\_S@hongsapower.com  
Contact No.: +856 20 5244 1986 (Lao P.D.R.)

*- Intentionally Omitted -*

### 3.16 SITE VISIT

The Bidders are welcome to visit Hongsa Site to check and inspect the surroundings of the project site. Any cost relevant to visiting Hongsa Site shall be borne by the respective Bidders. In case that the Bidders requests HPC to visit Hongsa Site for this purpose, the Bidders shall provide and submit the names of its representatives to the contact persons specified in Sub-Clause 3.15 (Contact Persons) herein. The site visit schedule shall take place on the agreed dates by both parties and the Bidders shall be accompanied by HPC's personnel during the site visit.

The Bidders shall obtain for itself all the necessary information that it needs during the site visit in relation to the commercial and technical requirements specified in this TOR. The information required for this bidding shall be provided and/or presented by HPC's personnel should the Bidders request except for some information may not be available for copying or removal due to confidential matters. The relevant meeting room shall be set up at Hongsa Site to coincide with the site visit so that Bidders will be able to view the information on a monitor or projector screen.

The Bidders including its representatives and/or agents may enter into Hongsa Site for the purpose of inspection on the condition that the Bidders including its representative and/or agents agrees to release and/or indemnify HPC from and/or against all liability occurred to and/or caused by the Bidder including representatives and/or agents, provided that the liability of which include but not limited to personnel injury (whether fatal or otherwise), loss of or damage to property and any other loss, damage, costs and expenses of whatever kind and whether occurred during or in consequence of the permit to enter hereby granted.

Due to COVID-19 global outbreaks, non-attendance at the Site Visit shall not cause disqualification of Bidders.

*- Intentionally Omitted -*

### 3.17 KEY PERSONNEL

Not Applicable.

*- Intentionally Omitted -*

**3.18 BIDDERS's GENERAL OBLIGATIONS**

- i. The forwarding, customs duties and taxes including custom clearance expenses relevant to the transportation and delivery of Goods from the factory of the manufacturer to Delivery Address specified in Sub-Clause 3.6 and Annex III (Commercial Bid Form) of this TOR shall be the responsibility of the successful Bidder under DDP Incoterms® 2020.

*- Intentionally Omitted -*

**3.19 HPC'S GENERAL OBLIGATIONS**

- i. Unloading of the Goods upon arrival of the delivery vehicle in the Delivery Address specified in Sub-Clause 3.6 of this TOR shall be the responsibility of HPC under DDP Incoterms® 2020.
- ii. HPC shall provide the required manpower, mobile crane, hand tools, machine tools, special tools, and other accessories to support the unloading of Goods from the delivery vehicle to the Delivery Address at Hongsa Site as specified in Sub-Clause 3.6 of this TOR.

*- Intentionally Omitted -*

**3.20 BIDDING SCHEDULE**

HPC shall endeavour to adhere to the following schedule:

| No. | Event Description                        | Tentative Completion Date      |
|-----|------------------------------------------|--------------------------------|
| 1   | TOR Documents Distribution to Vendors    | 28 <sup>th</sup> February 2026 |
| 2   | Q&A Close Date                           | 8 <sup>th</sup> March 2026     |
| 3   | Bid Proposal Submission                  | 13 <sup>th</sup> March 2026    |
| 4   | Technical Bid Review                     | 25 <sup>th</sup> March 2026    |
| 5   | Vendor Selection and Negotiation Process | 30 <sup>th</sup> March 2026    |
| 6   | Contract Award                           | 30 <sup>th</sup> April 2026    |
| 7   | Issuance of General Condition and PO     | 14 <sup>th</sup> May 2026      |

Remarks:

- HPC, at its discretion retains the right, but is not obligated, to extend the Bid Submission Date by issuing the corrigendum.
- This timetable may be varied depending on HPC's discretion.

*- Intentionally Omitted -*

### 3.21 TAX AND DULY PROVISIONS

The tax privileges and liabilities in Lao PDR as specified in the table below.

| No. | Lao Taxes                 | Privileges Granted                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|-----|---------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1   | Corporate Income Taxes    | The successful Bidder shall be responsible for paying any applicable Corporate Income Taxes is required under the laws of Lao PDR.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| 2   | Business Turnover Tax     | Exempted for all non-Lao domiciled, the successful Bidder and Subcontractors.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| 3   | Value Added Tax           | <p>The following items will attract a 0% VAT rate for all non-Lao domiciled, the successful Bidder and Subcontractors:</p> <ul style="list-style-type: none"> <li>a) all goods, equipment, machinery, materials and services provided to HPC relating to the operation of the Project (excluding consumer goods and foods, fuel, diesel oil and petroleum-based products); and</li> <li>b) all spare parts, chemicals, lubricants and other similar consumables imported into the Lao PDR by the successful Proponent or Subcontractors in the name of HPC for use in connection with the Project.</li> </ul> <p>Please note that the 0% VAT rate does not apply to goods and services procure from suppliers in Lao PDR.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| 4   | Imported Duties and Taxes | <p><u>Goods, Equipment, Machinery, Materials and Services</u></p> <p>All goods, equipment, machinery, materials and services imported by or provided to HPC relating to the construction and operation of the Project (including all chemicals, lubricants, explosive and other consumables (but excluding for the avoidance of doubt consumer goods and foods) used by the Project) shall be fully exempted from import duties and taxes.</p> <p><u>Steel Rebar and Cement</u></p> <p>There are no import duties on steel rebar and cement so long as such items are not available in Lao PDR based on quality, quantity, or price competitiveness.</p> <p><u>Fuel</u></p> <p>During the Operation Period, there is no exemption from import taxes and duties and the successful Proponent and Subcontractors must pay all customary taxes on imported fuel, diesel oil, and petroleum-based products.</p> <p><u>Spare Parts</u></p> <p>All spare parts, chemicals, lubricants and other similar consumables imported into the Lao PDR by the HPC or any of its Contractors or Subcontractors in the HPC's name for use in connection with the Project shall be exempted from import duties and taxes and all other government duties and taxes payable under Lao PDR Law.</p> |

| No. | Lao Taxes | Privileges Granted                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|-----|-----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|     |           | <p><u>Trucks and Construction Vehicles</u></p> <p>All trucks and construction vehicles (including construction equipment, cranes, heavy lifting equipment, pick-up trucks, and dump trucks) purchased or leased by or on behalf of HPC, and registered in the name of, and bearing a license plate or tag issued to HPC or Mining Company are exempted from applicable import duties.</p> <p><u>Passenger Vehicles</u></p> <p>All sedans and passenger vehicles purchased or leased by the successful Proponent or Subcontractors, and registered in the name of, and bearing a license plate or tag issue to, HPC, and used in connection with the Project will be subject to an import tax of one percent (1%).</p> <p>Any truck or vehicle that is not registered to HPC or which does not bear the appropriate license plates or tags will be fully subject to applicable import taxes and no exemption will apply.</p> <p>Note: There will be no tax exemption on fuel of office vehicles (passenger sedans and other vehicles not used at the construction site for construction activities) during construction and operation period.</p> |

- Intentionally Omitted -

### 3.22 ACCEPTANCE AND DELIVERABLES

The Goods to be provided by the successful Bidder shall be deemed to be accepted by HPC conditional upon the issuance of Acceptance Letter to the successful Bidder, provided that:

- i. HPC shall have a maximum of fourteen (14) days following of the Date of Delivery to inspect and examine the delivered Goods at the Delivery Address; and
- ii. If all the Goods delivered has met the specifications and requirements are set out as stated in the TOR Document and contract thereto, HPC shall issue the Acceptance Letter within seven (7) days thereafter.

*- Intentionally Omitted -*

### 3.23 VARIATIONS

Without prejudice to the rights and entitlements of HPC under PO this TOR and the Bidding Proposal, HPC, at any time, is entitled to instruct the bidder to make any variation of the process, quality or quantity of the Goods or Services or any part thereof and the bidder shall do any of the following:

- i. Increase or decrease the quantity of the Goods or Services or any part thereof (but not be deemed the Variation (as defined below) if such increase or decrease are conducted in compliance with the terms and conditions (other than as a result of this Clause) under PO, this TOR and the Bidding Proposal,);
- ii. Omit any part of the Goods or Services or any part thereof (but not be deemed the Variation (as defined below) if the omitted work is to be carried out by HPC or by HPC's contractor/supplier as permitted under PO, this TOR and the Bidding Proposal); or
- iii. Execute additional work of any kind necessary for the completion of the Goods to be supplied or Services (but not be deemed the Variation (as defined below) if it is permitted under PO, this TOR and the Bidding Proposal)

(each considered a "Variation"),

The Bidder shall provide in writing to HPC, within reasonable time of receipt of instruction by HPC under this Clause, the relevant amount to cover the cost of such Variation in its entirety. HPC, as its own reasonable decision, shall only consider and/or accept such offer, if all the documentation that may be requested by Employer are provided as evidence of the calculated value.

Notwithstanding anything to the contrary in the Purchase Order or this TOR, no changes, modifications, addition of the Bidder's conditions or methods of working shall be made necessary due to any default or breach of the successful Bidder in the performance of its obligations under Purchase Order or this TOR shall deemed to be a Variation and any such matter shall not result in any costs to HPC or extension of time.

*- Intentionally Omitted -*

### **3.24 TOR DOCUMENTS DISCREPANCIES**

In any event of any discrepancies, the documents to prevail shall be given precedence in the following order: (i) the Part I (General Terms) of this TOR, (ii) the Part II (Technical Specifications) of this TOR, (iii) Bid Proposal Forms of this TOR, (iv) the Schedules to this TOR and (v) the Bid Proposal of the Bidders.

*- Intentionally Omitted -*

#### **4. PART II – WORK OBLIGATIONS AND TECHNICAL SPECIFICATIONS**

##### **4.1 BIDDER'S PARTICULAR WORK OBLIGATIONS**

The successful Bidder shall have the following particular work obligations upon Contract Signing and receiving the Purchase Order from HPC:

- i. The successful Bidder shall submit the required technical documents and other documents as specified in Annex IV (Document Submission Form) to HPC for review and approval within fourteen (14) days after the issuance date of the Purchase Order.
- ii. Notwithstanding to the contrary, if the required documents specified in Annex IV (Document Submission Form) are required by HPC to be submitted by the successful Bidder prior to making payment for such an invoice, submission of such documents shall be part of the condition's precedent to HPC making the corresponding payment for such an invoice.

*- Intentionally Omitted -*

**4.2 HPC'S PARTICULAR WORK OBLIGATIONS**

- i. Reviewing and approval of technical documents and other requested documents required by HPC from the successful Bidder as specified in Annex IV (Document Submission Form) of this TOR.

### 4.3 REFERENCE TECHNICAL DOCUMENTATION

The reference Technical Documentation of the TOR Documents are provided by HPC in electronic files format to the Bidders and can be downloaded from the OneDrive Shared Link specified below.

- [03 Technical Data Sheets and Specifications](#)

#### 4.4 BID PROPOSAL FORMS

The Excel files of Bid Proposal Forms of the TOR Documents are provided by HPC in electronic files format to the Bidders can be downloaded from the OneDrive Shared Link specified below.

- [04 Bid Proposal Forms](#)

## 5. SCHEDULES TO TOR DOCUMENTS

### 5.1 SCHEDULE I: GENERAL CONDITIONS OF CONTRACT FOR PROCUREMENT OF GOODS

#### **Clause 1: Definitions**

**“Acceptance Letter”** means a written letter of HPC signed by its consent person or approval person as an evidence that the Goods have been delivered, duly received, and met the specifications in all respect as set forth in the Contract.

**“Applicable Incoterms”** unless otherwise stated in the PO, means the Incoterms® 2020 which shall be applied to this procurement of the Goods as stated in ‘Delivery Term’ field of the PO.

**“Contract”** means the contract of the Parties relating to this procurement of the Goods consisting this present General Conditions of Contract for Procurement of the Goods, PO, Quotation, TOR (if any), amendment (if any), and all attachments incorporated by referenced, which shall form an integral part of the Contract.

*In any event of any discrepancy*, the documents shall prevail in the following order: (i) the PO; (ii) the General Condition of Contract for Procurement of Goods and its Appendix, if any; (iii) Attachment 1 (Conditions of the Performance Security), if any; (iv) other attachment of this Contract agreed by the Parties; (v) the TOR; and (vi) the Quotation.

**“Delivery Address”** means the location(s) or place(s) where the Goods must be delivered to, according to Applicable Incoterms, and as specified in the ‘Delivery Address’ field of the PO.

**“Delivery Date”** means the latest possible date on which the Goods or each partial Goods shall be delivered by the Vendor to the Delivery Address as specified in the ‘Delivery Date’ field of the PO.

**“Force Majeure”** means any event or occurrence which is outside the reasonable control of the Party concerned and which is not attributable to any act or failure to take preventative action by that Party as might be expected from it in its situation, including fire; flood; violent storm; pestilence; explosion; malicious damage; armed conflict; acts of terrorism; nuclear, biological or chemical warfare; epidemic or pandemic; or any other similar disasters.

**“Goods”** means all of the goods to be supplied to HPC under the Contract;

**“HPC”** means Hongsa Power Company Limited.

**“Incoterms® 2020”** means the International Commercial Terms published by International Chamber of Commerce (ICC) in the year 2020.

**“Parties”** means HPC and the Vendor.

**“Party”** means HPC or the Vendor, as it is applicable.

**“PO”** means Purchase Order, an official document issued by HPC when placing an order with the Vendor to confirm a specific purchase of Goods.

**“Performance Security”** means advance payment bond, performance bond, warranty bond, bank guarantee and any other letter of guaranty or bond provided by the Vendor to HPC according to the conditions specified in Attachment 1.

**“Procurement of Goods”** means the process for purchasing or buying of goods including the purchase and installation of goods, as well as remedying any defects of goods.

**“Quotation”** means formal statement of promise submitted by the Vendor to supply the Goods including related services (if any) describing the specification of the Goods as attached herewith.

**“TOR”** means the documents issued by HPC describing the conditions and requirements of the Goods which HPC requires as attached herewith, no matter that its head title stated as the term of reference or not.

**“Vendor”** means the person or entity named in the ‘Vendor’ field of the PO.

#### **Clause 2: Scope of this conditions**

This General Conditions of Contract for Procurement of Goods shall be only applied to all procurement of the Goods which HPC agrees to make with the Vendor. Therefore, the Vendor has obligations to procure, supply, test, and deliver the Goods having the specifications and requirements as agreed with HPC under the Contract at the Delivery Address on or

before the Delivery Date.

No conflicting, contrary or additional term shall be deemed to be accepted by HPC unless HPC expressly agrees in writing.

**Clause 3: Delivery and Shipment**

Unless otherwise agreed in writing by the Parties, the risk, right and responsibility of each Party under the Contract shall be in accordance with Applicable Incoterms. Vendor shall deliver the Goods to the Delivery Address no later than the Delivery Date in accordance with the conditions and period hereunder as evidenced by the Acceptance Letter.

Partial delivery or shipment shall not be allowed unless HPC agrees with in writing.

**Clause 4: Packing**

Unless otherwise instructed by HPC, the Goods must be suitably packed with appropriate protection against damage. The packing must be in accordance with the normal practice of Vendor, provided that Vendor warrants that it shall use its best effort to pack the Goods in a manner that complies with good industry practice. If the damage is caused by the packing of the Good, the Vendor shall indemnify such damage by its own cost and expense.

**Clause 5: Title of the Goods and Intellectual Property Rights**

The Vendor represents and warrants that it has title in the Goods which shall be delivered free of lien, encumbrance, and any third party's rights, and that the Goods are suitable for HPC's intended purposes under the Contract. The title in the Goods shall be passed to HPC upon the actual delivery at the Delivery Address and the acceptance by HPC in accordance with Clause 8.

Intellectual Property Rights mean copyrights, patents, utility models, trademarks, trade names, topography rights, design rights and rights in databases or applications whether or not registerable in any country and all rights and forms of protection of a similar nature or having equivalent or similar effect anywhere in the world. The Vendor hereby assigns to HPC all Intellectual Property Rights in the Goods and all parts or materials incorporated into the Goods, or grants or procures that the relevant third parties grant the Contractor, a non-exclusive, royalty-free, perpetual, and worldwide license to use the Goods. The Contractor agrees to

execute all documents and do all other things required: (a) to assign such rights to HPC; or (b) to assist HPC in applying for and being granted such rights.

**Clause 6: Contract Price and Condition of payment**

- 1) Subject to the Applicable Incoterms, the contract price stated in PO is inclusive of all costs and expenses that HPC is obligated to pay to the Vendor in consideration of the procurement and supply of the Goods to the Delivery Address. The contract price of the Goods shall be as stated in the PO and shall not be increased except with the express written consent of HPC.
- 2) Unless stated otherwise in PO, the payment term shall be a single payment payable in full, and shall be conditional upon HPC receiving the undisputed invoice and issuing the Acceptance Letter as follow:
  - (a) If an invoice is submitted to HPC during the date of 1 – 15 in any month, the payment of such invoice will be paid on the date of 10 of the following month.
  - (b) If an invoice is submitted to HPC during the date of 16 – 31 in any month, the payment of such invoice will be paid on the date of 25 of the following month.
- 3) Each payment shall be made by transfer to the bank account designated by the Contractor.
- 4) Each invoice shall include HPC's address, telephone number, and attention to Managing Director of Hongsa Power Company Limited. Each invoice shall be submitted to one or the other following addresses:
  - Hongsa Power Company Limited (Head Office)  
NNN Building, 4th Floor, Room No. D5, Boulichan Road, Phonsinouan Village, Sisattanak District, Vientiane Capital, Lao PDR; or
  - Hongsa Power Company Limited (Representative Office)  
3/37-38 Woravichai Road, Nai-Wieng District, Muang Nan, Nan Province 55000 Thailand; or
  - Hongsa Power Company Limited (Site Office)  
Phonchanh Office, Phonchanh Village, Hongsa District, Xayabouly Province, Lao PDR.

**PDR**

- Attention to name of the Requestor stated in the PO.
  - Telephone number: +66(0) 54 775 869, 775 894.
- 5) Each Party shall be responsible for any bank, government, and other charges at its own side.

**Clause 7: Test**

Unless agreed otherwise in writing by the Parties, the conditions of the test of the Goods shall be in accordance with the TOR. The Vendor is obligated to provide, at no additional charge, the test certificate or any other document which warrants the test result of the Goods upon HPC's request.

Where there is no particular certificate or document stated in TOR, the Vendor is obligated, at no additional charges, to provide the standard certificate or document to confirm the specifications, quality and/or test result of the Goods.

Any nominated person by HPC to join any test shall only be a witness, not an inspector. Such person shall have no responsibility to assist or support the Vendor for the tests. The Vendor acknowledges that despite the nomination of HPC's personnel or third party as a witness at the test, the Vendor shall not be released from its obligations and liabilities under the Contract such as defect, transfer of the ownership, any delay, liquidated damages, and warranty obligation, etc.

Any inspection or testing carried out under this clause shall not release the Vendor from any obligations under the Contract.

**Clause 8: Acceptance of the Goods**

The Goods shall be deemed to be accepted by HPC upon the issuance of the Acceptance Letter. Such letter shall be issued within seven (7) days after the fulfillment of the following conditions:

- (a) the Vendor has already fulfilled the condition in Clause 7 (if any);
- (b) HPC has finished inspection of the Goods at the Delivery Address; and
- (c) such Goods are in compliance with the requirements and specifications set forth in the Contract.

**Clause 9: Warranty**

Unless stated otherwise in the PO or the Quotation, the Vendor warrants to HPC, that the Goods, whether being manufactured by the Vendor or not, shall be free from defect in materials, design, functionality, and workmanship within twelve (12) months from the date of delivery as stated in the Acceptance Letter. The Vendor has an obligation to provide HPC with the warranty certificate and claims policy of the Goods, or Vendor's document that clearly states the warranty condition and claim policy of the Goods.

**Clause 10: Insurance**

Subject to the Applicable Incoterms, the Vendor has to provide the insurance for the Goods at its costs and expenses with the reputable and financially sound insurer acceptable to HPC.

Unless otherwise instructed by HPC, the insurance policy to be provided by the Vendor shall be in accordance with the Institute Cargo Clause A (all risk) and shall cover, at a minimum, the contract price plus ten (10) per cent (i.e. 110%) in the currency of this Contract.

**Clause 11: Set-off**

HPC shall be entitled to set off against any sum payable by HPC to the Vendor:

- (a) any debt or other money due from the Vendor to HPC; and
- (b) any claims for money which HPC may have against the Vendor whether for damages (including liquidated damages) or otherwise.

**Clause 12: Liquidated Damages**

If the Goods are not delivered to the Delivery Address on the Delivery Date as evidenced by the Acceptance Letter, the Vendor agrees to pay to HPC the delay liquidated damages in daily rate of zero point one (0.1) percent of the total price of the undelivered Goods for each day of delay until the Goods are duly delivered according to the Contract, without prejudice to any rights and remedies of HPC under the Contract or the law. However, the total delay liquidated damages payable by the Vendor under the Contract shall not exceed ten (10) percent of the contract price.

Nonetheless, in case the Vendor fails to deliver the Goods within the agreed Delivery Date, HPC may, at its sole discretion, allow a grace period of fifteen (15) days free of the liquidated damages, provided that the Vendor informs HPC in writing of such failure at least seven (7)

days prior to the Delivery Date. After such period, if the Vendor still cannot complete the delivery according to the Contract, the Vendor will be charged with the liquidated damages for such fifteen (15) days instantly.

The Vendor must pay the accrued liquidated damages to HPC as notified in writing by HPC.

**Clause 13: Indemnity**

The Vendor shall indemnify, defend, and hold harmless HPC, its officers, agents, subcontractors, contractors, directors, employees, successors and assigns from and against any and all liabilities, claims, losses, damages, penalties, costs and expenses of any kind (including without limitation to replacement cost, transport cost, reasonable attorney fees and court costs) suffered by HPC as a result of or in connection with:

- (a) any breach of the Contract by the Vendor, its employee, personnel, agent, or subcontractor, including delivery of non-compliant goods;
- (b) any actual or alleged infringement of Intellectual Property Rights or violation of other proprietary right or other litigation or threatened litigation of any kind in connection with any of the Goods;
- (c) any actual or alleged injury to persons (including death) or property resulting from the contemplated or foreseeable handling or use of the Goods;
- (d) any other negligence, willful misconduct, misrepresentation, fraud, violation of law, or other wrongdoing by Vendor, including its employees, personnel, agents, or subcontractors in performing the obligation under the Contract; and
- (e) any defects in the Goods.

This Clause shall survive the termination of this Contract.

**Clause 14: Termination**

HPC may terminate the Contract in any of the following events:

- (a) the Vendor is in breach of any obligation under the Contract, and such breach is not remedied within seven (7) days or any other period specified by HPC following the Vendor's receipt of the notice given by HPC;
- (b) the Vendor fails to deliver the Goods to the Delivery Address by the Delivery Date

when HPC has become entitled to the maximum amount of the delay liquidated damages under Clause 12; or

- (c) the Vendor is subject to any receivership, becomes bankrupt or insolvent, or is in liquidation, winding up or reorganization procedures;

The termination of the Contract is without prejudice to the right of HPC to claim in respect of the liabilities of the Vendor under the Contract that accrue up to the termination date.

**Clause 15: Force Majeure**

Neither Party shall be liable for any failure to perform its obligations under the Contract to the extent that such failure is caused by Force Majeure; provided that such affected Party must inform other Party in writing of the Force Majeure event and its effect on the performance under the Contract within seven (7) days from the date that the affected Party becomes aware or should become aware of such Force Majeure. If the affected Party fails to do so, no any extension of time in connection with such Force Majeure shall be allowed.

If the Force Majeure continues for a period of thirty (30) consecutive days or more, either Party may terminate the Contract upon giving the other Party written notice of termination. The termination shall be without prejudice to the accrued rights of the Parties.

**Clause 16: Notice**

Where any notice is to be given to the Vendor under the Contract, such notice shall be submitted to the address and to the person stated in the PO, provided that Vendor hereby confirms that such address is affirmed and such person is authorized as a legal representative of Vendor. The Vendor is obligated to provide HPC with evidence of such legal representative such as recent power of attorney, and/or registered company certificate, upon HPC's request.

Where any notice is to be given to HPC under the Contract, such notice shall be submitted to the address and to the person as stated in 'Managing Director' field in PO.

Notices shall be deemed to have been duly delivered on the day on which it was served by hand, or transmitted by electronic mail, or if delivered by registered postal services, when actually delivered to the relevant address.

**Clause 17: Performance Security**

Unless otherwise stated in the PO, in the event where the Vendor is obligated to arrange and deliver the Performance Security to secure its obligations under the Contract, such Performance Security shall be in accordance with the conditions specified in Attachment 1.

In the event that the Performance Security is issued with a fixed expiry date and such expiry date may occur prior to the end of the period of cover to be provided in the relevant Performance Security, the Vendor shall ensure that the expiry date under the applicable Performance Security is extended to the end of relevant period or deliver a replacement Performance Security to cover such period.

Such extended or replacement Performance Security shall be duly executed and delivered to HPC no later than thirty (30) days before the relevant expiry date. Any expiry date under the Performance Security or an extension or replacement thereof shall be without prejudice to existing claim made under such Performance Security.

If the Vendor fails to provide an extension or replacement of the Performance Security, HPC shall be entitled to draw down the full amount of available amount outstanding under such Performance Security and to hold the funds drawn down as a security for compliance by Vendor with its obligations and liabilities under this Contract.

HPC shall be entitled to make deduction against the amounts so held in respect of any claims for which it would have been entitled to call against such extended or replacement Performance Security. The remaining balance of such amounts so held shall be returned to the Vendor following the end of the relevant period to be provided in the relevant Performance Security.

All fees, taxes and expenses associated with providing, completing, maintaining, replacing, amending and stamping (if applicable) each Performance Security shall be borne by the Vendor.

#### **Clause 18: Tax and Duties**

If applicable, HPC being the importer will have to provide the Vendor with the official documents issued by the government to beneficiate of eventual tax exemption before shipment of the Goods or to settle the import taxes when needed.

Except the exemption of tax privilege granted by the government of Lao PDR to HPC, the

Vendor shall be responsible for any costs and expenses related to the supply of the Goods subject to the Applicable Incoterms.

#### **Clause 19: Dispute Resolution**

Any dispute, controversy, or claim arising out of or in connection with this Contract, including any question regarding its existence, validity, or termination shall be submitted to the competent court of Thailand

Notwithstanding the existence of any dispute, each Party shall at all times proceed diligently and in good faith with the performance of its obligations under the Contract not subject to the dispute settlement.

#### **Clause 20: Independent Vendor**

The Parties acknowledge that the Vendor is an independent supplier in the business of supplying the Goods and is not for any purpose a partner, employee, agent or representative of HPC. The Vendor shall not be entitled to bind HPC or pledge the credit of HPC, nor shall the Vendor be entitled to collect or to pay money on behalf of HPC unless expressly authorized by HPC to do so.

#### **Clause 21: No waiver**

Failure by HPC to enforce at any time or for any period any one or more of the terms or conditions in the Contract shall not be a waiver of them or of the right at any time subsequently to enforce all terms and conditions of the Contract.

#### **Clause 22: Severability**

In the event that any provision of the Contract is void, invalid or unenforceable, both Parties agree that such void, invalid or unenforceable provision shall not affect the validity of any other provision of the Contract.

#### **Clause 23: Change in Law**

In case of any change-in-law and regulations which any Party perceives to impose material adverse impact on its cost or profit under this Contract (including tax issues other than with respect to corporate income tax), the effected Party shall propose the details of expenses of the amendment or change to the other Party within thirty (30) days along with other details at the request of the other Party. Both Parties shall, in good faith, meet to discuss and resolve such effect of such change-in-law.

**Clause 24: Consequential Damages**

Neither Party shall be liable to the other Party for any indirect, incidental, consequential nor punitive damages as a result of the performance or non-performance of its obligations imposed pursuant to the Contract.

**Clause 25: Assignment and Subcontracting**

None of the rights and/or obligations accruing hereunder may be assigned, subcontracted or otherwise divested by the Vendor without HPC's prior written consent. Any such consent shall not relieve the Vendor from any liability or obligation under the Contract and the Vendor shall be responsible for the acts, defaults and negligence of its subcontractors, agents, representatives or workmen as fully as if they were the acts, defaults or negligence of Vendor itself.

**Clause 26: Amendment**

No amendment, alteration or modification to the Contract will be effective unless it is in writing and signed by both Parties.

**Clause 27: Governing Law and Language**

The Contract shall be governed by and construed in accordance with laws of Thailand. Any document or notice made under the Contract shall be made in English.

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**5.2 SCHEDULE II: FORM OF PERFORMANCE SECURITY****FORM OF BANK GUARANTEE**

*[Bank's Name, and Address of Issuing Branch or Office]*

**Hongsa Power Company Limited**

4th floor, Room No. D5, NNN Building, Phonsinouane Village, Bourichan Road, Sisattanak District, Vientiane Capital, Lao PDR

**Date:** \_\_\_\_\_

**BANK GUARANTEE No.:** \_\_\_\_\_

We, *[Issuing Bank's name]*, with principal office at *[Address of Issuing Bank]* (the "**Guarantor**") hereby issue the bank guarantee (this "**Bank Guarantee**") for the benefit of Hongsa Power Company Limited (including its successor or assignee, the "**Beneficiary**") under the provisions as follows:

1. The Guarantor acknowledges that *[bidder's name]*, a company organized under the laws of *[country]* with the principal office located at *[Address]* (hereinafter the "**bidder**") has entered into *[name of contract]* (on the date *[date]* with reference no. *[number]* (if specified)) with Hongsa Power Company Limited (the "**Beneficiary**") for *[work's description]* at Hongsa, Xayaboury Province, Lao PDR, including the conditions of the contract, the annexes thereto and as amended, modified and supplemented from time to time (hereinafter collectively referred to as the "**Agreement**"). Capitalized terms used herein and not defined herein shall have the meanings ascribed to them in the Agreement.
2. According to the terms of the Agreement, the Beneficiary shall pay the first installment in the aggregate amount of *[amount in word]* (*[amount in figure]*) to the bidder. The bidder is obligated to provide a bank guarantee at the equivalent amount on or prior to the payment of the first installment as a condition precedent to such payment.
3. At the request of the Beneficiary, as of the issuance date of this Bank Guarantee, the Guarantor hereby irrevocably and unconditionally undertakes to pay as the primary debtor or as the joint and several debtor to the Beneficiary any sum or sums not exceeding in total an amount equal to *[amount in word]* (*[amount in figure]*) at any time on and after the issuance of this Bank Guarantee (the "**Security Amount**") upon receipt by the Guarantor of the Beneficiary's demand in writing in the form of Attachment 1, signed by its authorized signatories with the blanks duly completed and stating that the bidder fails to perform its obligations under the Agreement and the Beneficiary is entitled to draw under this Bank Guarantee, without the need to prove or to show further grounds for the Beneficiary's demand or the sum specified therein and regardless of whether the Beneficiary has claimed any damages from the bidder or not. The Guarantor must make payment of any such demand within three (3) business days of the date of receipt of the demand. The Beneficiary may draw under this Bank Guarantee any number of times, but in any event not exceeding the Security Amount and within the Validity Period (as defined below).
4. Our payment hereunder shall be made to the bank account as to be designated in the Beneficiary's demand, (free and clear of, and without deduction by reason of any or all present or future taxes, levies, imposts, duties, fees or withholdings, whatsoever, imposed or collected with respect thereto). All payments under this Bank Guarantee shall be in Thai Baht.
5. The Guarantor acknowledges and accepts that its liabilities and obligations under this Bank Guarantee shall not be discharged or released by any arrangement between the bidder and the Beneficiary with or without its consent or by any alteration in the obligations undertaken by the bidder or by any forbearance whether as to payment, time, performance or otherwise. The Guarantor shall pay the Beneficiary the amount demanded notwithstanding the existence of any disputes or differences which may have arisen between the bidder and the Beneficiary or any

defenses which the bidder may have or any request or instruction which may be given by the bidder to the Guarantor not to pay the same or any objection made by This Bank Guarantee shall be effective upon the issuance date hereof and shall remain in force and effect until the earlier of (a) the Guarantor receives the Beneficiary's written confirmation to release the Guarantor from liability under this Bank Guarantee, or (b) [calendar date] (the "**Validity Period**"); provided that notwithstanding the expiration of the Validity Period, the Guarantor shall comply with any demand received during the Validity Period. The Guarantor shall not revoke this Bank Guarantee during the Validity Period. However, in order to be valid, any demand made hereunder must reach the Guarantor on or before the expiry of the Validity Period; the Guarantor shall hold no responsibility or obligation whatsoever for any demand made thereafter.

6. This Bank Guarantee is subject to the URDG758; provided that Article 15 (a) of the URDG758 shall not apply to this Bank Guarantee.
7. For the matters not covered by the URDG758, this Bank Guarantee shall be governed by Thai law. The Guarantor, the Beneficiary and the bidder irrevocably agree that the Courts of Thailand shall have jurisdiction to hear and determine any suit, action or proceedings, and to settle any disputes, which may arise out of or in connection with this Bank Guarantee and, for such purposes, irrevocably submit to the jurisdiction of such Court.
8. The Beneficiary may assign upon written notification to the Guarantor, the whole or any part of its rights, benefit and interest in, to and under this Bank Guarantee whether by way of security or otherwise to any person.

This Bank Guarantee is signed by the Guarantor by our authorized representative who has signed in front of a witness.

Signed and delivered  
by the said Guarantor

.....  
Name: .....  
Designation: .....

in the presence of

.....  
(Witness)  
Name: .....  
Designation: .....  
the bidder or any other Party

[Letterhead of the Beneficiary]

Date: \_\_\_\_\_

[Bank], as Guarantor

[Address of Issuing Branch or Office]

Re: Bank Guarantee No. [●]

Ladies and Gentlemen:

We refer to the Bank Guarantee given by the Guarantor to us dated [date] and referenced as Bank Guarantee No. [●] (the "**Bond**"). Capitalized terms used herein and not otherwise defined have the meanings given to them in the Bond.

The undersigned, Hongsa Power Company Limited (the "**Beneficiary**"), hereby certifies that:

1. The bidder fails to perform its obligations under the Agreement and the Beneficiary is entitled to draw under this Bank Guarantee.
2. We hereby demand payment by the Guarantor in an amount of \_\_\_\_\_ by deposit of such amount within three (3) business days of receipt of this demand to [bank account detail].

Very truly yours,

**Hongsa Power Company Limited**By: [signed by authorised person]

[Name]

[Title]