



GENERAL TERMS AND CONDITIONS OF SALES AND SERVICES

SENERGY TECHNICAL SERVICES (SHANGHAI) CO., LTD.

November 1, 2021

1. SCOPE

The terms and conditions listed in this document (“Terms and Conditions”) apply to conformity assessment and technical advisory services (hereinafter referred to as “Work”) that are commercialized and conducted by **Senergy Technical Services (Shanghai) Co., Ltd.** (hereinafter referred to as “STS”).

No other general terms and conditions except for those agreed in this Contract (or Proposal, or Agreement) between STS and the ordering party (hereinafter referred to as “the Client”) shall be part of the general terms and conditions of the business between STS and the Client.

2. APPLICATION

These Terms and Conditions shall be applicable to all Orders placed by the Client to STS (“Orders”) from the moment such Orders are placed unless such Orders explicitly exclude the application of these Terms and Conditions. The Order shall not be withdrawn or altered except as otherwise agreed by both parties in writing. Orders accepted by STS shall be executed and/or Deliverables shall be prepared in accordance with recognized technical requirements while taking the state of the art into consideration and – insofar as contrary agreements have not been made in writing – the customary handling practiced by STS. Unless otherwise explicitly agreed in writing, no responsibility shall be assumed for the correctness of the guidelines and standards on which Work has been based.

3. DEFINITIONS

Client means an organization who purchases a service from STS.

Client Indemnified Parties means the Client, its affiliates, financing parties, and its and their directors, officers, shareholders, agents, employees, subcontractors and representatives.

Confidential Information means information which is of a non-public, proprietary or confidential nature to STS, its subsidiaries or affiliates, or to any third parties to whom STS owes a duty of confidentiality, including all reports and analyses, technical and economic data, studies, forecasts, certificates, research or strategies, inventions, financial or contractual information, test results, calculations, proprietary information protected or not by copyright, work methods and procedures, whether in the form of report, check-lists, documents, prototypes, samples, media, trade secrets, intellectual property rights, know-how, formulae, processes, inventions, data, network configurations, flow charts, business and marketing plans, financial and operational information, information pertaining to software, information ascertainable by the inspection or analysis of samples or data relating to the current and/or future business and operations of STS and analysis, compilations, charts, summaries, extracts, presentations, quality plans and their appendixes, STS website-based or mobile-based data and statistics accessible on a secured account, whether accessible or disclosed in printed, digital, video, online copy, or other written or oral information regarding STS and its affiliates and manufacturers audited or assessed by STS for the purpose of this document. Confidential Information may be in any form whatsoever, including writings, website, mobile applications, drawings, digital format, or other media. All information disclosed by STS to the Client, whether orally, in writing, on STS website or otherwise, shall be deemed to be Confidential Information unless otherwise expressly agreed in writing by STS. Confidential Information may also include information disclosed to STS by third parties. Confidential Information will not, however, include any information that (i) was publicly known and made generally available in the public domain prior to the time of disclosure by STS; (ii) becomes publicly known and made generally available after disclosure by STS to the Client through no action or inaction of the Client; (iii) is already in the possession of the Client at the time of disclosure by STS, as shown by the Client’s files and records; (iv) is obtained by the Client from a third party without a breach of the third party’s obligations of confidentiality; or (v) is independently developed by the Client without use of or reference to STS’ Confidential Information, as shown by documents and other competent evidence in the Client’s possession.

Deliverables means a plan, sheet, fact sheet, summary, page, document, table, memorandum, report or certificate, whether in a printed or digital form, using a template and/or design owned by and proprietary to STS, issued and duly approved by STS and representing the execution of the Ordered Service.

General Terms and Conditions of Sales and Services means this document, presented as a standalone document or annexed to an Order.



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Order or Contract means a contractual document signed by both the Client and STS (including but not limited to Quotation, Estimate, Sales Contract, Purchase Contract, Agreement, Proposal, Sales Order), or the acknowledgement of an Order Request signed by both the Client and STS.

Order Confirmation means the confirmation of acceptance by STS of an Order, in the form of a Sales Order signed by STS.

Order Request means a document prepared by the Client and not signed by STS (including but not limited to Letter of Acceptance, Letter of Award, Purchase Order), or an email request submitted by the Client to STS (including but not limited to Inspection Notice, Inspection Call).

Order Requirements means a set of technical requirements that shall serve as a basis to conduct the Work and against which determination of conformity of the Product, Personnel or Management System shall be made.

Ordered Services means services for which STS has submitted an Order Confirmation and for which an Order is to be or has been duly executed.

Parties means STS and the Client.

STS means Senergy Technical Services (Shanghai) Co., Ltd.

STS/Client Acceptance or STS/Client Signature means an acknowledgement by signature of STS/Client legal representative whether in digital or in handwriting form.

STS Indemnified Parties means STS and its affiliates, and the officers, directors, employees, and representatives of each of the foregoing

Substantial Contractual Obligations means those obligations that protect the Client's legal interests deemed to be substantial to the Contract, and which the Contract, based on its content and purpose, must specifically grant to the Client. Further, contractual obligations are substantial if deemed to be prerequisites for proper performance of a Contract and upon the observance of which the Client has generally relied and may rely on.

Supplier means a manufacturer or otherwise provider of goods contracted by the Client.

Work means conformity assessment and technical advisory services commercialized and performed by STS.

4. CONTRACTUAL BASIS

4.1. CONTRACTUAL ACCEPTANCE

The Client acknowledges and agrees that STS is not a designer, manufacturer, marketer, seller endorser, guarantor or insurer of any product or system of any kind anywhere. Thus, STS does not assume any obligation towards the Client or any third party related to business out of its scope.

The Client acknowledges and agrees that STS provisions of services do not relieve the Client from testing and examination of the products. STS is not in any way endorsing or warranting the safety nor the performance of the products subject to tests, inspection or other services provided by STS.

Except as mutually agreed by STS and the Client in writing, no deviation from the Terms and Conditions agreed herein will be accepted by STS or the Client.

At the time of Order placement, the Client shall accept the services, commercial terms along with these Terms and Conditions.

Supplementary agreements, promises and other statements by STS employees or agents shall only be considered binding if expressly confirmed by STS in writing with STS's official seal or Signature by STS' legal representative. This shall also apply to any amendments to this document.

Once agreed upon, the Terms and Conditions shall also be deemed applicable to the Order between STS and the Client.

All elements of the offer such as scope, fees, lead times and execution are not binding until signing of an Order between STS and the Client.

4.2. ORDERING PROCESS

The Client may or may not place an Order Request to STS. Order Requests are not legally-binding.



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Orders duly signed by both the Client and STS are legally-binding to both parties.

4.3. ADVANCE NOTIFICATION

The Client acknowledges the preparation needed for Work assignments and will give STS the necessary time to prepare resources with at least seven (7) calendar days' notice prior to the expected starting date of the Work. If this notification period is not granted, STS will make best efforts but offers no guarantees to reach aggressive schedules; in addition, in such event, Client is responsible for all costs associated with the absence of timely notification period.

4.4. CONTRACTUAL PERFORMANCE

STS obligations shall start upon submission of an Order Confirmation signed by STS legal representative.

The scope of contractual activities (also referred to as "Scope of Work" or "Work" or equivalent document or reference) to be performed by STS shall be defined in writing at the moment the Contract is confirmed.

STS Work will be performed against the requirements provided by the Client ("Client Requirements") prior to starting the Work unless otherwise agreed by STS and regardless of the fact that the Supplier has accepted it or not. Should the Client Requirements not be made available to STS or should the Client Requirements be incomplete, STS shall perform the Work for the incomplete and/or unavailable part according to its best interpretation of the Order Requirements and according to STS recommended practices, regardless whether the Supplier and/or Client accepts it or not.

If any modification or extension of the defined Scope of Work proves necessary within the context of due performance of the Contract, such modifications or extensions as well as a modification, extension or addition of the Client Requirement shall be additionally agreed upon in advance and in writing by both Parties in the form of a Change Order. Unless otherwise agreed by both parties on a Change Order, any Work or part of the Work that has started and/or that has been completed will not be re-performed (rework); and any work that is not yet started but is related to a work already completed and/or started and/or part of a larger scope of Work, will be performed against the same requirements. In such cases, the Client shall have the right to withdraw from the Contract, if it can no longer be expected to remain a Party to the contract in view of the modification or extension. However, Client shall pay the agreed compensation for the work already engaged by STS.

The contractual services of STS shall be deemed as having been furnished and completed with preparation of the respective Deliverables.

4.5. PERFORMANCE LEAD TIMES AND DEFAULT

The schedules for contractual performance quoted by STS shall be binding only if explicitly agreed upon in writing.

If STS, for reasons attributable to its failure to perform in accordance with the requirements of the Contract, has exceeded a binding deadline for contractual performance and thus is in default of its contractual obligations, the Client shall have the right to claim compensation for any damage due to delayed performance. Compensation in form of liquidated damages shall amount to 0.1% of the value of the Order whose performance is delayed under the terms of the Contract for each completed day of delayed performance up to a total of 10% of the value of the Order. Any further claims for damages shall be governed by the provisions set out in the liability section.

In the case of delayed performance, the Client may grant a reasonable additional period within which performance is to take place.

4.6. CLIENT STAKEHOLDERS COMPLIANCE

When relevant, the Client confirms that it has a contractual agreement with the required stakeholders, including but not limited to its supplier, to use an independent contractor to perform the Work and that STS or its appointed representatives have been named as that independent contractor.

It is Client's responsibility to ensure that all stakeholders acknowledge STS or its appointed representatives as having the right to perform the Work as per the Client Requirements, effectively allow STS personnel to perform the Work or allow required access to STS to inspection/audit sites and information, and does not require STS to cover costs to perform its Work (i.e. charges for use of supplier's equipment or personnel).

It is Client's responsibility to ensure that the Client Requirements are acknowledged and agreed by the Supplier prior to the commencement of STS Work.

If the stakeholder were to prevent STS personnel from performing the Work, STS will notify the Client in the quickest manageable time and request help of the Client to resolve the issue in a prompt manner.

If the issue results in more than a one (1) day delay, STS maintains the right to further extend the time period needed to complete the Work. To complete this additional Work as a result of such delay, STS personnel may be required to remain on site and consequently further daily charges will be accrued based upon the number of resources needed.

In case any additional period needed would be extended, due to lack of cooperation from the stakeholder, the Client and STS will discuss and use best effort to agree to a resolution plan.

4.7. WORK ACCEPTANCE

Any part of Work ordered by the Client and which is complete may be presented by STS for acceptance as an installment.

The Client shall accept it or make a formal request for revision by email within 5 working days. Request for revisions shall apply if the Deliverables are not complete or if the Deliverables or the underlying Work fails to comply with the requirements of the Contract.

The Client accepts that Work by STS not originally scheduled ("Additional Work"), including but not limited to additional inspection, additional tests, additional activities must be invoiced in addition to the Work invoiced for the execution of Ordered Services, regardless of STS personnel's presence at the same location to conduct a same, similar or different activity. That is, any Additional Work performed by STS shall be invoiced and due.

Prior to invoicing, any Work by STS not originally scheduled shall be approved by the Client, unless as otherwise agreed by both parties in the terms of the Contract.

5. GENERAL TERMS OF PAYMENTS

5.1. MUTUAL COOPERATION

Each Party shall use commercially reasonable efforts to ensure that all cooperation required from the other Party, its agents or third parties will be provided in good time and at no cost to such Party.

The Party shall bear the reasonable and documented costs incurred in case of failure of its required cooperation such as incorrect, incomplete or delayed provision of information or lack of proper cooperation.

5.2. PRICE

Work shall be billed in accordance with the fees outlined in the Contract.

The Client agrees to pay for all expenses related to project execution. If such expenses are time sensitive, an STS representative will use its best judgment in the execution of reasonable expenses.

In the absence of a valid list of services and prices, contractual provisions must be agreed on a case-by-case basis.

If, at the Client's request, services are performed outside of the normal working hours, STS may apply additional charges.

Unless otherwise agreed upon in writing, Additional Work will be charged at the same rate as agreed on the Order for the same service.

5.3. INVOICING AND PAYMENTS

Invoicing will be made out reflecting the Work completed. Reasonable advance payments may be requested and/or partial invoices covering services already rendered may be made out.

The receipt of an invoice does not mean that the Order has been billed completely by STS.

Unless otherwise agreed by STS, the fees billed after Acceptance of Work shall be due for payment within fifteen (15) calendar days upon invoicing.



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All invoiced amounts shall be due without deduction on receipt of the invoice.

Payments shall be made to the bank account of STS or its designated subsidiary as specified on the invoice, stating the invoice number and client's contacts.

Any objections to invoices must be made in writing to STS within five (5) working days after receipt of invoice, whether invoice is received on a digital or printed copy, with reasons stated.

5.4. INTEREST AND COMPENSATION FOR DELAYED PAYMENT

The Client shall be in default of undisputed amounts due and payable by the Client to STS under the Contract if such non-payment continues for 30 calendar days after receipt by the Client of complete invoice, whether delivered by mail or electronic copy by email or other means. If a specific period of payment is agreed upon by both Parties, the Client shall be in default of payment upon expiry of this period.

In case of payment default by the Client of undisputed amounts due and payable by the Client to STS under the Contract, STS shall be entitled to charge a) interest on the outstanding invoice amount of three (3) times the interest rate fixed by the governing law at the time of signature of the Order or 15% per annum if no interest rate has been fixed by the governing law, plus b) compensation for credit recovery of minimum USD50.00 (or equivalent in the local currency) to recover reasonable fees such as administrative costs, debt collection fees, instruction of a lawyer, attorney fees, etc. These fees will be charged to Client at cost +5%.

5.5. ANTICIPATED PAYMENT

No discount will be granted in case of payment paid by the Client before the due date.

6. WORK AND ORDER INTERRUPTION, SUSPENSION OR CANCELLATION

6.1. WORK INTERRUPTION, SUSPENSION OR CANCELLATION CAUSED BY THE CLIENT DEFAULT

In case of delayed payment by the Client of undisputed amounts due and payable to STS under the Contract of more than thirty (30) days after such payment is due, or if STS considers a risk in proper execution of the Client's obligations, STS reserves the right to interrupt or suspend at its sole discretion part or all of its Work.

Suspension may lead to but may not be limited to restricting or blocking access and submission to the Client to Order progress, information and Deliverables, whether by email, phone or online access, suspension of the Client account, or interruption of the Work. The Client's losses (if any) caused by the interruption, suspension or cancellation shall be borne by the Client.

6.2. WORK INTERRUPTION, SUSPENSION OR CANCELLATION CAUSED BY A THIRD PARTY

In case STS considers a risk in preserving the confidentiality, independence, impartiality or safety or its Work or its Employees, STS reserves the right to interrupt, suspend or cancel at its sole discretion part or all of the Services Ordered.

STS does not accept other third parties to interfere with its work execution, whether appointed by the Client or any other party. In that respect, STS keeps the right to interrupt or stop its Work in case a third party is introduced to the Order to perform the same or similar Work as STS.

6.3. CONSEQUENCES AND COMPENSATION DUE TO WORK SUSPENSION OR CANCELLATION

In case the Client decides to hold or postpone on an Order execution for more than thirty (30) days, and if no information relative to STS activities schedule are supplied by the Client to STS, all Work already engaged and executed by STS under the Order shall be settled in full by the Client within 15 calendar days after receipt of the invoice and related deliverables by STS to the Client. In such circumstance, STS reserves the right to withdraw its personnel from the Work location at its own discretion. The Client agrees to maintain the engagement of STS for further opportunities and/or substitution of the Service Ordered.

In case of contract cancellation prior to any commencement of the Service Ordered, STS is entitled to invoice a cancellation fee of up to 10% of the Contract amount.

7. CODE OF ETHICS AND CONDUCT

Being an accredited Inspection Body, and embracing its company's core values, STS pledges to the highest degree of ethics and conduct from its management, employees, clients, suppliers and other related parties.

7.1. IMPARTIALITY AND INDEPENDENCE

STS warrants and undertakes that, during the course of its Work and as a general practice, its employees shall maintain the highest degree of impartiality, and that preventive measures shall be undertaken as deemed appropriate.

As a third party, STS adheres to a fair position and aims to provide satisfactory services to clients objectively, fairly, accurately and in a timely manner in accordance with the laws, regulations and contractual agreements.

As an organization committed to acting with fairness, independence and without bias, STS is committed to:

- Providing satisfactory services to customers objectively, fairly, accurately;
- Publishing and updating as needed its "impartiality and independence control procedures" to ensure that its control methods are kept adapted to its activity's challenges;
- Serve all customers with the same quality of work and service standards.

Moreover, STS employees are not authorized to engage in product development, promotion or sales within the scope of the inspected products.

7.2. NON-BRIBERY

STS warrants and undertakes that STS shall not offer, promise, give, authorize, solicit or accept, directly or indirectly (including through any portion of the fees) any undue pecuniary or other advantage of any kind (or imply that it will or might do any such thing at any time in the future) to any person in any way connected with the Services.

STS employees are trained to report immediately observed unethical conduct of any stakeholder through relevant communication channels.

7.3. CONFLICTS OF INTERESTS

STS takes great care of conducting its work with the highest degree of ethic. As such, STS warrants that it does not hold any conflict of interests with the suppliers appointed by the Client that could affect the reliability, accuracy and veracity of STS work.

During the course of the Order, should any conflict of interest arise between STS and the Supplier, STS will obtain approval in writing by the Client of authorization to continue the Work.

8. CONFIDENTIALITY, KNOW-HOW, LICENSES AND OWNERSHIP

8.1. CONFIDENTIALITY

8.1.1. NON-USE AND NON-DISCLOSURE

Client acknowledges that specific work methods have been developed for years by STS and shall be considered as a competitive advantage by STS against its competitors. Besides, to perform the work, STS has, will or may disclose Confidential Information.

Client agrees to not disclose, transfer, or otherwise make use of STS Confidential Information, directly or indirectly, willingly or negligently.

The Client will not use or re-use STS Confidential Information for any purpose except for the underlying purpose of the Order. Client shall, in particular, not be entitled to change, process or use Confidential information outside the underlying purpose of the Order.

Client will not disclose STS Confidential Information to third parties or to such party's employees. When contracting a direct or indirect competitor of STS for a same, similar or different Service or Work, the Client undertakes not to disclose, transfer or otherwise make use of STS confidential and proprietary documents and working methods. Instead, the Client shall rely on the other contractor's expertise and methods.



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Client will not reverse engineer, disassemble, or decompile any prototypes, software, or other tangible objects that embody STS' Confidential Information and that are provided to the Client in accordance with this Agreement.

Client may disclose STS Confidential Information if required by law so long as the Client gives STS prompt written notice of the requirement prior to the disclosure and assistance in obtaining an order protecting the information from public disclosure.

STS or its employees shall not, without written authorization, disclose any Confidential information of the Client of which they become cognizant during their activities.

8.1.2. MAINTENANCE OF CONFIDENTIALITY

Client will take reasonable measures to protect the secrecy of and avoid disclosure and unauthorized use of STS Confidential Information. Without limiting the foregoing, Client will take at least those measures that it takes to protect its own most highly confidential information and, prior to any disclosure of STS Confidential Information to its employees, will have the employees sign a non-use and nondisclosure agreement that is substantially similar in content to this document.

Client will not make any copies of STS Confidential Information unless approved in writing by STS. Client will reproduce STS proprietary rights notices on any approved copies.

8.2. KNOW-HOW

Notwithstanding anything to the contrary in this document, STS shall have the right to use general know-how, retained in the memory of its personnel because of the performance of the Work, including but not limited to review, evaluation, and otherwise use of the information (including Confidential Information) related to the Order.

8.3. NO LICENSE

Nothing in the Contract is intended to grant any rights to Client under any patent, copyright, or other intellectual property right of the other party, nor will this document grant any party any rights in or to the Confidential Information of the other party, except as expressly set forth in the Contract.

8.4. DELIVERABLES OWNERSHIP AND RESTRICTIONS

Information contained in the Deliverables are confidential and remain the property of STS. STS retains the right to use information collected during the course of its Work in an aggregated and anonymized manner.

STS grants the Client a perpetual, non-exclusive, royalty-free, worldwide license to use the Deliverables. The Client shall have the right to transfer this license to the parties involved in the Client's assets or planned assets for which the Client has conducted the assessment and with whom the Client has signed a non-disclosure agreement to protect and preserve the confidentiality of the Deliverables.

In any case, Deliverables shall not be sold or otherwise monetized by the Client.

8.5. COPYRIGHTS, DATA PROTECTION

STS shall have the right to copy and file any written documents submitted for examination that are important for the performance its Work.

STS shall grant the Client a simple, non-transferable right of use of proprietary information protected by copyright, if this is required by the underlying purpose of the Contract. This transfer of copyright shall explicitly not include the transfer of any other rights.

STS shall process and use personal data only for its own purposes within STS. In order to meet the data protection requirements STS has taken technical and organizational measures to ensure the security of its data and data processing operations. The employees engaged in data processing are expected to observe all data protection regulations strictly.

9. WARRANTY

Warranty by STS only covers services for which it has been explicitly commissioned.

Warranty regarding the proper condition and overall functioning of the product or system for which the inspected or tested products belong shall therefore be excluded. In particular, STS shall not assume any responsibility for

the design, materials, power loss and construction of the examined products unless these issues have been explicitly included in the contract.

10. LIABILITY AND LIMITATION OF LIABILITY

In the event that STS is in breach of its Substantial Contractual Obligations, STS shall be liable for the damage related to and typically foreseeable under the particular contract at the time of entering into the Contract.

In the event of breach by STS or its representatives and/or employees of its Substantial Contractual Obligations, STS shall be liable for damages, losses and reimbursement of expenses caused by STS regardless of their legal basis. This includes but is not limited to soliciting or accepting bribes.

STS liability shall be limited to:

- a) in the case of a Contract with a fixed fee, two times the fee of the entire Contract;
- b) in the case of a Contract for annually recurring service or subscription, two times the recurring fee;
- c) in the case of a Contract expressly charged on a time and material basis, a maximum of USD50,000; and
- d) in case of a framework agreement that provides for the possibility of placing individual orders, two times the fee of the individual Order (as per value fixed on the Order Confirmation) under which the damages or losses have occurred.

Except in case of breach from STS of its Substantial Contractual Obligations, STS shall not be held liable for loss or damage to the products or their components including packing material and accessories either in the course of inspection, testing or due to theft or natural disasters or any situation outside the control of STS.

The limitation of STS liability applies to its employees, directors or agents or its subsidiaries.

STS shall not be liable for employees made available by the Client for the inspection or tests of products nor the supervision of manufacturing facilities. In such case, and upon claims made to STS by third parties, Client should indemnify STS for such claims. STS shall not be liable for any damage caused as a result of a negligent breach of a non-substantial contractual obligation.

The limitation periods for claims for damages shall be based on statutory provisions.

This liability exemption and/or the liability limits shall not apply to damage to life, person, or health; nor shall it apply for claims of fraud, gross negligence, willful misconduct or claims under a warranty.

TO THE FULLEST EXTENT PERMITTED BY LAW, AND NOTWITHSTANDING ANY OTHER PROVISIONS IN THE ORDER, NEITHER PARTY, THEIR SUBCONTRACTORS, NOR THEIR RESPECTIVE AFFILIATES WILL BE LIABLE TO THE OTHER PARTY OR ITS AFFILIATES, AND THE PARTIES HEREBY WAIVE AND RELEASE ALL CLAIMS, FOR ANY SPECIAL, INDIRECT, CONSEQUENTIAL, INCIDENTAL, PUNITIVE OR EXEMPLARY DAMAGES, WHETHER OR NOT FORESEEABLE, ARISING OUT OF OR IN CONNECTION WITH THE ORDER, WHETHER BASED ON BREACH OF ORDER, TORT (INCLUDING NEGLIGENCE AND STRICT LIABILITY), OR OTHER BASES OF LIABILITY, EXCEPT IN THE CASE OF PARTY'S FRAUD, WILLFULL MISCONDUCT OR THIRD PARTY INDEMNITY CLAIMS HEREUNDER.

11. CLAIMS

Any person making claims under the Contract shall without delay inform STS in writing about any potential damage for which STS could be liable. Claims must be submitted to info@sts-certified.com, with attention to QHSE Department.

If claims for damages against STS are excluded or limited, this shall extend to any personal liability of any of its experts, miscellaneous employees, vicarious agents or any other auxiliary personnel of STS.

Notwithstanding the above provisions, the Client shall be obliged to obtain standard insurance cover for direct or indirect damage.

12. INSURANCE

STS shall carry, directly or through its affiliated entities:

- a) A Commercial General Liability Insurance coverage subject to limits of not less than US Dollars 1,000,000 for each individual breach and US Dollars 1,000,000 aggregate;

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- b) A Professional Liability Insurance covering losses or damages which may occur arising out of the errors or omissions alleged to have been committed by STS in connection with the performance of the Work hereunder, subject to limits of not less than US Dollars 1,000,000 for each individual breach and US Dollars 2,000,000 aggregate;
- c) An automobile liability insurance in accordance with statutory requirements for vehicles owned by STS;
- d) A workers' compensation insurance of not less than USD1,000,000 for employees employed in the United States of America, and as per statutory requirements for employees employed in other countries.

13. TERMINATION

13.1. TERMINATION FOR CAUSE

In case of material breach by either Party of any of its obligations under the Contract, unless such breach is capable of immediate remedy but the breaching Party fails to remedy it within seven (7) days following the written notice of breach being received by the breaching Party (sixty (60) days in case of the Client's late payment of any undisputed amounts due and payable by the Client to STS under the Contract), the other Party may terminate the Order. The terminating Party shall not be liable for any compensation in relation to the breach. The breaching Party shall reimburse within thirty (30) days the reasonable and proper costs incurred by the other Party in remedying such breach of obligations and any damages arising as a result of such breach.

13.2. TERMINATION FOR CONVENIENCE

The Client may, upon prior written notice of 15 days, terminate the Order for convenience and without cause. In case of termination for convenience, the Client shall, within thirty (30) days following the termination of the Order, pay to STS an amount equal to:

- a) The value of the Work realized and delivered at such date but not yet invoiced, and
- b) Any unavoidable liabilities arising from the effective cancellation or termination of contracts with suppliers and subcontractors to ensure that STS is put at least in a neutral financial position which results in STS deriving no loss with respect to such cancellation or termination costs, subject to STS providing to the Client such supporting documentation and information as the Client may reasonably expect; STS shall use all reasonable efforts to minimize such costs, up to the maximum amount of ten per cent (10%) of the amount of the Service Contract not yet invoiced.

13.3. TERMINATION FOR PROLONGED FORCE MAJEURE

In case of prolonged Force Majeure for more than 180 days, either Party may terminate the Contract. In such case of termination, neither Party shall be liable for compensation to the other Party for costs arising from the termination.

14. INDEMNITIES

14.1. INDEMNIFICATION BY STS

STS shall indemnify, defend, and hold harmless the Client from and against any and all losses, damages, penalties, liabilities, costs or expenses arising out of or resulting from: (a) third party suits, actions, damages, claims or liability of whatsoever kind or character, including for accidents, injuries, personal injury or death, employers' liability, workers' compensation, or damage of any kind; or (b) governmental authority imposed fines or penalties; in each of case (a) and (b), to the extent caused by the negligence or willful misconduct of STS, breach of the Contract by STS or the failure of STS to comply with applicable laws; or (c) taxes payable by STS hereunder; including in each case reasonable attorneys' fees and expenses related thereto and except in each case to the extent such liabilities are due to the negligence or willful misconduct of the Client or any third party that is under the Client's control.

14.2. INDEMNIFICATION BY THE CLIENT

The Client shall indemnify, defend, and hold harmless STS Indemnified Parties from and against any and all losses, damages, penalties, liabilities, costs or expenses arising out of or resulting from third party suits, actions, damages, claims or liability for accidents, injuries, personal injury or death or damage to the extent caused by Client's breach of its obligations under the Order; including in each case reasonable attorneys' fees and expenses related thereto, and except in each case to the extent such liabilities arise due to the negligence or willful misconduct of STS or any third party that is under STS' control.

14.3. INDEMNIFICATION PROCEDURE

When a Party hereunder (the "Indemnifying Party") is required to indemnify any person (the "Indemnified Party") in accordance with this clause, the Indemnifying Party shall assume on behalf of such Indemnified Party, and

conduct with due diligence and in good faith, the defense of any claim against such person, whether or not the Indemnifying Party shall be joined therein, and the Indemnified Party shall cooperate with the Indemnifying Party in such defense. The Indemnifying Party shall be in charge of the defense and settlement of such claim; provided that without relieving the Indemnifying Party of its obligations hereunder or impairing the Indemnifying Party's right to control the defense or settlement thereof, the Indemnified Party may elect to participate through separate counsel in the defense of any such claim, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party, except in the event that (a) the Indemnified Party shall have reasonably concluded, acting in good faith and on the advice of counsel, that there exists a material conflict of interest between the Indemnifying Party and the Indemnified Party in the conduct of the defense of such claim (in which case the Indemnifying Party shall not have the right to control the defense or settlement of such claim, on behalf of such Indemnified Party), or (b) the Indemnifying Party shall not have employed counsel to assume the defense of such claim within a reasonable time after notice of the commencement of an action thereon, then, in each case of (a) and (b), the fees and expenses of counsel shall be paid by the Indemnifying Party. The Indemnifying Party shall not, without the Indemnified Party's prior written consent, settle or compromise any claim, suit or cause of action asserted against the Indemnified Party, or consent to entry of a judgment in respect thereof, which imposes any future obligation on the Indemnified Party or which does not include, as an unconditional term thereof, the giving of a release in favor of the Indemnified Party from all liability in respect of such claim, suit or cause of action.

15. ORDER OF PRECEDENCE

15.1. TO THE ORDER

In the event of inconsistencies during the invoicing and payment collection process, document shall take precedence in the following order: (i) Change Order signed by the Client and STS, (ii) Sales Order signed by the Client and STS based on the latest date, (iii) Proposal or Contract signed by the Client and STS, (iv) Purchase Order signed by the Client and STS, (v) Sales Order signed by STS, (vi) Purchase Order signed by the Client.

15.2. TO THE WORK

In the event of any inconsistencies during the execution of a Work, documents shall take precedence in the following order: (i) Change Orders signed by the Client and its supplier, (ii) Contractual documents signed by both the Client and its supplier, (iii) certificates and related appendixes released by independent and accredited bodies, (iv) reports and related appendixes released by independent and accredited bodies, technical documents prepared by the Client's supplier.

16. RELATIONSHIP BETWEEN THE PARTIES, ASSIGNMENT

STS is an independent contractor with respect to the Work to be performed under an Order and shall be solely responsible for the performance of the Work.

Neither Party shall assign an Order without the other Party's written consent (which consent shall not be unreasonable withheld, conditioned or delayed), except to an affiliate of the Party at the time of Order Acceptance.

17. FORCE MAJEURE

Neither Party shall be liable for failure to perform its obligations under the Contract if such failure results from circumstances beyond such Party's reasonable control. Therefore, there is no right to claim any indemnification for such a Force Majeure event which includes fire, flood, typhoon, earthquake, strike, pandemics, and other unforeseeable and unavoidable events.

The affected Party shall use commercially reasonable efforts to mitigate the effects of the Force Majeure event on its performance, and keep the other Party informed promptly.

18. APPLICABLE LAW AND DISPUTE SETTLEMENT

The Contract shall be governed by and construed in accordance with the laws and regulations of P.R. China without giving effect to the conflicts of laws provisions thereof.

All disputes arising out of or in connection with the present Contract shall be finally settled by arbitration administered by the China International Economic and Trade Arbitration Commission (CIETAC) in accordance with the CIETAC's arbitration rules in effect at the time of applying for arbitration. Arbitration shall be brought in



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Shanghai, P.R. China. The arbitration award shall be final and binding upon both parties. The language of arbitration shall be English. No award or procedural order made in the arbitration shall be published.

19. SEVERABILITY

Should individual provisions or parts of provisions of these General Terms and Conditions or of other provisions of the Contract are declared wholly or partly illegal, or unenforceable or ineffective, the validity of the remaining provisions of the Contract shall not be affected and accordingly shall remain in full force and effect.

