

EXHIBIT 1

GENERAL TERMS AND CONDITIONS

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ARTICLE 1 - DEFINITIONS

In this CONTRACT the following words and expressions shall have the meanings assigned to them except where the context otherwise requires.

- “CONTRACT” shall mean the SERVICE CONTRACT and all parts, exhibits, appendixes, attachments, any items specifically incorporated by reference and any amendments thereto.
- “CONTRACTOR” shall mean the Party entering into the CONTRACT with NIPPON for the performance of the SERVICE or part thereof as set forth in CONTRACT and include CONTRACTOR’s Personnel, representatives, successors and such other persons or body of persons to whom CONTRACTOR has assigned this CONTRACT.
- “NIPPON” shall mean JX Nippon Oil & Gas Exploration (Malaysia) Limited.
- “Proprietary Information” shall mean any and all business and technical information which is made available directly or indirectly to CONTRACTOR or to CONTRACTOR’s personnel by or on behalf of NIPPON under this CONTRACT. The information may be in any form tangible or intangible and at all times shall be the property of NIPPON.
- “SERVICE” shall mean the work and SERVICES to be provided by CONTRACTOR under the CONTRACT as more particularly described in **EXHIBIT 2 – SCOPE OF SERVICES** of the CONTRACT.

ARTICLE 2 - COMPENSATION

In consideration for the satisfactory performance of the SERVICE and the fulfillment of all obligations by CONTRACTOR under the CONTRACT, NIPPON shall compensate CONTRACTOR in accordance with the particulars set forth in **EXHIBIT 3 – COMPENSATION SCHEDULE**.

ARTICLE 3 - CONTRACT PERIOD

Subject to the termination provision provided under **ARTICLE 11 - TERMINATION**, this CONTRACT shall commence from the Effective Date of CONTRACT or until all obligations of the CONTRACTOR hereunder have been fulfilled in accordance with the CONTRACT.

CONTRACTOR agrees that time is of the essence of this CONTRACT and CONTRACTOR shall execute the SERVICE in a timely manner. CONTRACTOR shall notify NIPPON in writing immediately should any factor arise which is likely to delay completion of the SERVICE. If delay in the execution of the SERVICE arises for which CONTRACTOR is responsible, CONTRACTOR shall take prompt and effective action to eliminate such delay at no additional cost to NIPPON.

ARTICLE 4 - INVOICING AND PAYMENT

All invoices must be accompanied by original timesheets in the form agreed with NIPPON and signed by NIPPON authorized personnel. Copies will not be accepted. All invoices shall be submitted in one (1) original and one (1) softcopy as follows:

- a) Original invoices shall be addressed to the address specified below or any other address as advised by NIPPON:

JX NIPPON OIL & GAS EXPLORATION (MALAYSIA) LIMITED
Level 15, Menara Prestige
No. 1, Jalan Pinang
50450 Kuala Lumpur
Attn: MANAGER, FINANCE & ACCOUNTING DEPARTMENT

- b) Softcopy of the invoices in PDF file format (in black & white copy) shall be emailed to the email address as stated in **EXHIBIT 9 - ADMINISTRATIVE PROCEDURES**.

Payments of undisputed invoiced items shall be remitted within the thirtieth (30th) day after receipt thereof. Payments made by NIPPON shall not preclude the right of NIPPON to thereafter dispute any of the items invoiced.

Payments of undisputed invoiced items shall be remitted within the thirtieth (30th) day after receipt thereof. Payments made by NIPPON shall not preclude the right of NIPPON to thereafter dispute any of the items invoiced.

If NIPPON disputes any item on an invoice, NIPPON shall inform CONTRACTOR of the disputed item within thirty (30) days of the receipt by NIPPON of that particular invoice. NIPPON shall only be entitled to withhold from payment the actual amount in dispute until the settlement of the dispute.

NIPPON shall be entitled to withhold payment if any of CONTRACTOR's invoices do not include the supporting documentation required by NIPPON.

All payments to CONTRACTOR by NIPPON under the terms of this CONTRACT shall be in Ringgit Malaysia. NIPPON may authorize payment in other currency provided CONTRACTOR makes written request to NIPPON to be paid in such other currency and subject to:

- a) CONTRACTOR furnishing documentary evidence to NIPPON that CONTRACTOR is duly authorized by Bank Negara Malaysia to receive payment in such other currency; or
- b) Bank Negara Malaysia regulations so permitting; and
- c) CONTRACTOR paying to NIPPON all direct costs incurred by NIPPON or may be incurred by NIPPON and complying with any other reasonable terms and conditions imposed from time to time by NIPPON,

Where the CONTRACT Price is stated in other than Ringgit Malaysia and NIPPON makes payment in Ringgit Malaysia, for the purpose of translating such other currency to enable payment to be made in Ringgit Malaysia, the rate of exchange to be used shall be the prevailing exchange rate on the day of payment quoted by MUFG bank (Malaysia) Berhad or any other bank as agreed by NIPPON. In the event that on such date the foreign exchange market is in a state of suspension due to official declaration of the Government of Malaysia or an appropriate agency thereof, the rates quoted immediately before such suspension shall be used.

Upon notification of any erroneous billings made by CONTRACTOR or payments made to CONTRACTOR by NIPPON, CONTRACTOR shall, within fourteen (14) days, make appropriate adjustments therein and reimburse to NIPPON any amounts of overpayment still outstanding as reflected by said adjustments, notwithstanding the fact that a temporary

withholding or a correction of discrepancy may have been effected previously. Notwithstanding the foregoing, NIPPON shall be entitled to deduct such amounts from payments due to CONTRACTOR. Accordingly, NIPPON shall pay CONTRACTOR any amount of underpayment subject to verification thereof.

Payment due to CONTRACTOR may be withheld by NIPPON on account of unsatisfactory performance of the CONTRACT, the filing of claims against NIPPON caused by acts or omissions of CONTRACTOR or failure of CONTRACTOR to pay amounts when due for wages.. In event of default in payment of wages by CONTRACTOR, NIPPON shall have the right to deduct from any moneys due to CONTRACTOR under this CONTRACT for settlement of such claim. Such payment shall be deemed to be a payment made to CONTRACTOR by NIPPON under and by virtue of this CONTRACT.

If and when the cause or causes for withholding any such payment have been remedied or removed by CONTRACTOR and satisfactory evidence of such remedy or removal has been presented to NIPPON, the payments withheld shall be made forthwith by NIPPON. If CONTRACTOR fails to take appropriate remedial action or refuses to remedy or remove any causes for withholding such payments after delivery of written notice to CONTRACTOR by NIPPON, NIPPON shall be entitled to cause the same to be remedied, settled or removed on its own and may deduct the costs and expenses thereby incurred by NIPPON from any amounts due or owing or which may become due or owing to CONTRACTOR under the CONTRACT provided always that this provision shall not affect any other remedy to which NIPPON may be entitled for the recovery of such sums.

Payment made under this CONTRACT shall not constitute an admission by NIPPON as to the performance by CONTRACTOR of its obligations hereunder and in no event shall any such payment affect the warranty obligations of CONTRACTOR. Any payments withheld shall be without prejudice to any other rights or remedies available to NIPPON. CONTRACTOR shall advise NIPPON the CONTRACT payment details to facilitate payment under this **ARTICLE**.

ARTICLE 5 - CONTRACTOR'S OBLIGATION

- 5.1 CONTRACTOR shall perform the SERVICE in strict compliance with this CONTRACT including all Exhibits attached hereto and shall comply with and adhere strictly to NIPPON's directions on any matter concerning the SERVICE specified in **EXHIBIT 2 – SCOPE OF SERVICES** of the CONTRACT.
- 5.2 CONTRACTOR shall provide the necessary CONTRACTOR's Personnel as specified in **EXHIBIT 2 – SCOPE OF SERVICES** and shall make the personnel available at the NIPPON's assigned heliport or marine transport for commencement of the SERVICE offshore. CONTRACTOR shall thereafter ensure that such personnel are continuously available throughout the duration of this CONTRACT. CONTRACTOR shall furnish at its sole expense any and all visas and work permit or other permits required for its personnel.
- 5.3 CONTRACTOR warrants to NIPPON that CONTRACTOR's Personnel are fully willing, able and qualified to perform the SERVICE with due diligence and in accordance with the highest standards of their profession.

ARTICLE 6 - HEALTH SAFETY AND ENVIRONMENT

This **ARTICLE 6** shall be read and construed accordingly with **APPENDIX 1-2** and **EXHIBIT 5 – HEALTH SAFETY AND ENVIRONMENT** of this CONTRACT.

CONTRACTOR shall comply with, and shall cause its employees and subcontractors to comply with all applicable local, municipal, territorial, provincial and federal laws, orders and regulations pertaining to health, safety and the environment and abide by all safety and security rules and regulations in force in and applicable to this CONTRACT.

CONTRACTOR's Personnel who are required to provide the SERVICES to NIPPON shall comply with NIPPON's HSE Safety Manual, policies, procedures/practices, special instructions and all requirements stipulated in **EXHIBIT 5 – HEALTH SAFETY AND ENVIRONMENT** of the CONTRACT, including possession of valid safety passport, medical certificate and the use of personal protective equipment.

6.1 Offshore Safety Passport

CONTRACTOR's personnel directly involved in the SERVICE offshore shall have undergone the industry-approved helicopter and underwater escape training, sea survival and basic fire-fighting course prior to being engaged in the SERVICES and at such other intervals, not being more frequently than every two years. CONTRACTOR shall arrange the course booking and pay the course fees. CONTRACTOR is not entitled to reimbursement from NIPPON for wages, daily personnel SERVICE rate or any other costs or expenses whatsoever incurred during the course. Copy of the certificates of helicopter and underwater escape training, sea survival and basic fire-fighting course shall be submitted to NIPPON prior to the mobilization of CONTRACTOR Personnel to NIPPON office.

Industry Approved Safety Training Institutions is listed in **APPENDIX 5-2**.

6.2 Certificate of Medical Fitness

Where CONTRACTOR Personnel is required to perform SERVICE on offshore platform/installation or other offshore facilities, unless NIPPON advises CONTRACTOR otherwise, CONTRACTOR shall provide NIPPON with a certificate of medical fitness for each of CONTRACTOR Personnel prior to performance of SERVICE. The certificate of medical fitness must be issued by a registered medical practitioner within the last two years in a form to the standards specified in the APPEA Guidelines for Medical Fitness to Work Offshore or approved by NIPPON. NIPPON will not provide nor reimburse the cost of the medical examination. CONTRACTOR is not entitled to reimbursement from NIPPON for wages, daily personnel SERVICE rate or any other costs or expenses whatsoever incurred during the medical examination.

6.3 Personnel Protective Equipment (PPE)

CONTRACTOR shall provide Personnel Protective Clothing (PPE) to its personnel assigned to NIPPON and be responsible to ensure that

CONTRACTOR's personnel at all time wearing correct and good condition PPE in accordance with the requirement by NIPPON specified herein. All related costs with respect to the provision of the PPE shall be at CONTRACTOR's own cost.

At operating facilities, required PPE comprises the following:

- Safety helmet complete with chinstrap, compliant with BS EN397+A1- Industrial Safety Helmets – Specification for Construction and performance, or other equivalent Malaysian or internationally accepted Industrial Standard.
- Two (2) pairs per year bright orange long sleeved coverall made of inherently fire-retardant materials which meets NFPA 2112 minimum resistance to flame.

- Two (2) pairs per year safety footwear compliant with MS/BS EN ISO 20345 Standard, or other equivalent internationally accepted industrial standard.
- Safety goggles/glasses compliant with ANSI/ISEA Z87.1, BS 209, BS EN166 or other equivalent internationally accepted industrial standard.
- Suitable or task-specific hand glove that meets ANSI/ISEA 105 standard or other equivalent internationally accepted industrial standard.

Any replacement, as a result of wear and tear, over and above the specified quantities shall be mutually agreed between CONTRACTOR and CONTRACTOR's personnel.

Specific requirement pertaining to Personal Protective Equipment is detailed out in NIPPON Personal Protective Equipment (PPE) Standard and Issuance Procedure.

ARTICLE 7 - CHANGES

- 7.1 Authorization for Change: NIPPON shall, at any time during the CONTRACT, have the right to request changes, including additions or deletions, in the scope of SERVICE by issuing an approved Change Order. Upon NIPPON issuing such a Change Order, CONTRACTOR shall promptly perform all such changes in strict compliance with the terms of this CONTRACT and the Change Order.
- 7.2 Implementation of Change Order: In the event NIPPON desires a change, including deletions or additions, to the scope of SERVICE, NIPPON shall request such change by issuing a Change Order Request. If CONTRACTOR believes such change will affect CONTRACTOR's cost or time for performance of the SERVICE, then prior to commencement of the change, CONTRACTOR shall promptly submit to NIPPON a detailed breakdown fully supported for the change together with any revision in the time for completion, in the form of a Change Order Proposal. Basis for adjustment to compensation for authorized change(s) shall be, in priority, a lump sum adjustment based on the agreed price breakdown, or such sum determined pursuant to prices and rates specified in **EXHIBIT 3 – COMPENSATION SCHEDULE** to the CONTRACT, or if neither of the foregoing applies then as mutually agreed between the Parties. The Parties shall discuss and agree the contents of the Change Order Proposal so as to implement such change by NIPPON issuing an approved Change Order. Upon receipt, CONTRACTOR shall proceed with the change in accordance with the requirements specified in the Change Order.

ARTICLE 8 - PERSONNEL WARRANTY

CONTRACTOR shall ensure that CONTRACTOR's personnel meet the requirements of the job specification set forth in **EXHIBIT 2 – SCOPE OF SERVICES** and are capable to perform their respective duties in a skillful and workmanlike manner. In the event CONTRACTOR's personnel fail to meet minimum acceptable standards, or for any other just cause, then NIPPON may require CONTRACTOR to replace any of CONTRACTOR's personnel at the sole cost of CONTRACTOR.

ARTICLE 9 - CONTRACTOR'S PERSONNEL

- 9.1 CONTRACTOR shall employ only competent and skilled personnel for the SERVICE. CONTRACTOR shall be responsible for any work performed by CONTRACTOR's personnel.
- 9.2 CONTRACTOR shall ensure that all CONTRACTOR's personnel engaged in the performance of this CONTRACT comply with the applicable laws including immigration laws and where required in possession of a valid work permit for the duration of the CONTRACT. When requested, details of such work permits shall be submitted to NIPPON.
- 9.3 All CONTRACTOR's personnel furnished by CONTRACTOR shall at all times be employees of CONTRACTOR and CONTRACTOR shall pay all wages and all remuneration payment and contribution required by law to be paid by an employer and shall make all appropriate deductions from their wages in respect of EPF, income tax and other contributions.
- 9.4 Only CONTRACTOR's Personnel pre-approved by NIPPON shall be allowed to perform the SERVICE. CONTRACTOR shall furnish additional personnel as NIPPON may request in writing from time to time.
- 9.5 All CONTRACTOR's Personnel directly involved in the performance of the SERVICE offshore shall have undergone the necessary basic safety training required by NIPPON's approved training center, and shall possess a valid Offshore Safety Passport issued by NIPPON. All related cost with respect to getting such Safety Passport for CONTRACTOR's Personnel shall be at CONTRACTOR's own expenses.
- 9.6 Discipline
- In the performance of the SERVICE, CONTRACTOR shall maintain strict discipline and good order among its employees and other contractor's and subcontractor's employees and shall not permit any of them to engage in activities that might, in NIPPON's opinion, be contrary or detrimental to the performance of the SERVICE or the interests of NIPPON.
- 9.7 Alcohol and Drug Use
- a) CONTRACTOR shall comply with NIPPON's "Drug and Alcohol Free" Policy;
 - b) CONTRACTOR is responsible to ensure that the personnel of CONTRACTOR GROUP shall not use, be in possession or under the influence of any drug during the performance of the SERVICE, distribute or engage in the sale of any drugs or cause any drugs to be carried in the work place.
 - c) CONTRACTOR shall also ensure that the personnel of CONTRACTOR GROUP shall not use or be in possession of or under the influence or distribute or engage in the sale of alcohol/alcoholic beverages at work place or cause any drugs to be carried into the work place; and
 - d) Any of the personnel of CONTRACTOR GROUP who are incapable of performing the SERVICE or duties due to the influence of drug and/or alcohol, will be refused entry into or removed from the work place. CONTRACTOR shall replace such person immediately in accordance with the provision herein contained. Any cost incurred shall be borne by the CONTRACTOR.

9.8 Anti-Bribery and Anti-Corruption Policy

- a) CONTRACTOR shall comply with NIPPON's "Anti-Bribery and Anti-Corruption" Policy as stipulated herein and as specified in **ARTICLE 18 – BUSINESS ETHICS** throughout the duration of the CONTRACT.
- b) CONTRACTOR is responsible to ensure that the personnel of CONTRACTOR GROUP shall not, directly or indirectly, make, receive, provide or offer gifts, whether of minimal value or otherwise, entertainment, payments, loans or other consideration for the purpose of influencing individuals, directors, employees, agents or representatives of NIPPON GROUP in relation to this CONTRACT.
- c) Any of the personnel of CONTRACTOR GROUP found to be involved in, directly or indirectly, making, receiving, providing or offering gifts, whether of minimal value or otherwise, entertainment, payments, loans or other consideration for the purpose of influencing individuals, directors, employees, agents or representatives of NIPPON GROUP in relation to this CONTRACT shall be replaced by the CONTRACTOR immediately in accordance with the provision herein contained. Any cost incurred shall be borne by the CONTRACTOR.

9.9 Replacement of CONTRACTOR's Personnel

- a) CONTRACTOR shall ensure that all such personnel continue in the functions and responsibilities to which they are initially assigned for as long as is necessary to achieve proper completion of the SERVICES. CONTRACTOR shall not change CONTRACTOR Personnel assigned to perform the SERVICE without prior approval from NIPPON in writing.
- b) CONTRACTOR shall also take steps to ensure that in the event of a replacement, the replacement personnel shall be qualified, competent, skilled and familiar with the work. Such steps shall include the training of the "would be" new personnel to take-over the work at no additional cost to NIPPON and shall include an appropriate hand-over period for the replacement personnel.
- c) NIPPON shall be entitled, without prejudice to any other rights or remedies available to NIPPON under this CONTRACT or otherwise in law, to object and require CONTRACTOR to remove from the CONTRACT and/or replace any of the CONTRACTOR's Personnel who, in the opinion of NIPPON, is:
 - (i) incompetent or negligent in the performance of his duties;
 - (ii) engaged in activities which are contrary or detrimental to the interest of NIPPON;
 - (iii) not conforming with NIPPON's relevant safety procedures or acts in any manner prejudicial to safety, health or the environment;
 - (iv) in violation of NIPPON's "Drug and Alcohol Free" Policy, **EXHIBIT 6 – HEALTH, SAFETY AND ENVIRONMENT and/or EXHIBIT 10 – ANTI-BRIBERY AND ANTI-CORRUPTION POLICY** of this CONTRACT; and/or
 - (v) otherwise considered to be undesirable without giving any reason whatsoever.

In such event, CONTRACTOR shall forthwith remove such person from the work place and such person shall not be re-employed again without the prior written approval of NIPPON. CONTRACTOR shall immediately replace, at CONTRACTOR's sole expense, any discharged person with suitably qualified and experienced person acceptable to NIPPON. NIPPON shall have the right to propose to CONTRACTOR, at CONTRACTOR's sole expense, suitably qualified and experienced person for the replacement of any discharged CONTRACTOR's personnel.

- d) In the event CONTRACTOR is unable to comply with these obligations, NIPPON shall have the option to terminate the CONTRACT.

9.10 Language Requirement

CONTRACTOR shall ensure that the personnel provided pursuant to this CONTRACT are competent, efficient and have adequate command of the English and/or Bahasa Malaysia Language.

9.11 Personnel Policies

CONTRACTOR shall not recruit NIPPON's personnel without NIPPON's permission which shall not be unreasonably withheld.

- 9.12 CONTRACTOR shall maintain good site housekeeping and where applicable, shall furnish safety equipment to its personnel, including but not limited to safety helmets, safety shoes, safety harness and eye and ear protection, as specified in **EXHIBIT 6 – HEALTH, SAFETY AND ENVIRONMENT**.

- 9.13 CONTRACTOR shall be responsible for maintaining and enhancing the safety awareness of its personnel and subcontractor's personnel including arranging safety meeting and emergency drills.

- 9.14 CONTRACTOR shall establish and have its own written policy, safety rules and regulations for its employees and the employees of any of its subcontractor and shall also acquaint representative of NIPPON with the same.

- 9.15 Before commencing any hazardous work operations, CONTRACTOR shall inspect the work place and equipment involved (if any) to ensure that the SERVICE will be performed under safe conditions acceptable to NIPPON. CONTRACTOR shall ensure that all work permits and certificates are obtained prior to initiating any hazardous work.

- 9.16 CONTRACTOR shall at no cost to NIPPON be responsible for the medical welfare of its own and subcontractor's employees and shall take care of periodical medical examinations, arrangements for medical attendance, treatment or hospitalization if and when necessary and shall arrange suitable insurance coverage for such contingencies. In cases of emergency, NIPPON may make or provide for, the necessary emergency arrangements, the costs of which shall be reimbursed to NIPPON by CONTRACTOR.

- 9.17 CONTRACTOR shall advise NIPPON immediately in writing of any labour dispute or anticipated labour dispute, which may be expected to affect the CONTRACTOR's performance of the SERVICE.

ARTICLE 10 - INDEPENDENT CONTRACTOR

CONTRACTOR is independent contractor and CONTRACTOR's personnel shall in no circumstances nor for any purpose be deemed to be agents, representative or servants of NIPPON for the duration of this CONTRACT. CONTRACTOR shall at all times remain responsible for payment and administration of CONTRACTOR's personnel's salary and benefits as specified in **EXHIBIT 3 – COMPENSATION SCHEDULE**.

ARTICLE 11 - TERMINATION

NIPPON shall have the right to terminate this CONTRACT, in whole or in part, at any time, by giving CONTRACTOR written notice thereof and without assigning any reason therefor. Such notice shall specify the effective date of termination should it be different from the date of the notice and CONTRACTOR shall cease the SERVICE on that date.

Upon termination of this CONTRACT the rights and obligations of the Parties shall be as follows:-

- a) NIPPON shall pay to CONTRACTOR all amounts payable and due in accordance with the CONTRACT for the SERVICE minus any payment that has already been made in accordance with **ARTICLE 4 – INVOICING AND PAYMENT** hereof. Such amount shall be established in accordance with **EXHIBIT 3 – COMPENSATION SCHEDULE** hereto.
- b) In the event the amount due is less than the payment already made to CONTRACTOR, then CONTRACTOR shall refund the balance to NIPPON.
- c) CONTRACTOR shall provide and turn over to NIPPON all information, documents, materials, records and analyses prepared prior to the date of termination.

ARTICLE 12 - INDEMNITY

12.1 References: For the purpose of the indemnities given in this **ARTICLE 12**:

- a) Reference to NIPPON shall be deemed to include NIPPON, CARIGALI and PETRONAS and its and their affiliated and subsidiary companies and/or its and their shareholders, officers, directors, employees, agents and representatives.
- b) Reference to CONTRACTOR shall be deemed to include CONTRACTOR and its subcontractors and/or its and their parent, subsidiary or other affiliated entities and/or its and their personnel, officers, directors, employees, consultants, agents and representatives.
- c) Reference to Third Party means any party other than NIPPON and CONTRACTOR.

12.2 CONTRACTOR Indemnity: CONTRACTOR shall indemnify and hold harmless NIPPON against all claims, damages, loss and cost arising out of or caused by any breach, non-observance or non-performance by CONTRACTOR of any provisions of the CONTRACT.

CONTRACTOR shall indemnify NIPPON from and against any and all liabilities, claims, proceedings, damages, losses, costs and expenses concerning:

- a) Injury to sickness or death of any person in the employment of CONTRACTOR

- b) loss of or damage to the property of CONTRACTOR including rented equipment

arising out of or in connection with the performance of this CONTRACT, howsoever caused, irrespective of the negligence or other breach of duty on the part of NIPPON.

- 12.3 Third Parties: CONTRACTOR shall assume all liability for and shall defend indemnify and hold harmless NIPPON from and against any and all liabilities, claims, proceedings, damages, losses, costs and expenses in respect or arising out of or in connection with the performance of this CONTRACT except to the extent caused by the negligence of NIPPON.

- 12.4 Limitation of Liability: CONTRACTOR shall not be liable in any event for any consequential damages or other indirect losses (by way of breach of contract, tort, or otherwise) sustained by NIPPON or its affiliates from CONTRACTOR's performance of the SERVICE unless such losses are covered by CONTRACTOR's valid and collectable insurance and/or are recoverable from third parties. Such losses shall include, but not be limited to, loss of profits or facilities downtime.

NIPPON shall not be liable in any event for any consequential damages or other indirect losses (by way of breach of contract, tort, or otherwise) sustained by CONTRACTOR, its affiliates, or any Sub-Contractor. Such losses shall include, but not be limited to, loss of profits or loss of SERVICE of CONTRACTOR Personnel.

ARTICLE 13 - INSURANCE

- 13.1 NIPPON undertakes no responsibilities in respect of any life, health, accident, travel and other insurance which may be necessary or desirable for the SERVICE, personnel or specialists employed or retained by CONTRACTOR and for any property owned, leased or hired by CONTRACTOR for the purpose of the SERVICE.
- 13.2 In relation to CONTRACTOR's personnel, CONTRACTOR shall effect and maintain throughout the CONTRACT Workmen's Compensation and/or Employer's Liability Insurance or similar statutory social insurance as required by law at the locations where the SERVICE will be performed and which may be applicable covering all CONTRACTOR's employees engaged in accomplishing the SERVICE.
- 13.3 Subject to **ARTICLE 13.2**, CONTRACTOR shall take out and maintain all insurance's which CONTRACTOR deems fit and reasonable to have in connection with the CONTRACT and/ or as may be required by applicable laws.

ARTICLE 14 - TAXATION

- 14.1 CONTRACTOR shall be responsible for and pay at its own expense when due all taxes and duties relating to the SERVICE including:
 - a) All sales, SERVICEs, excise, storage, consumption and use taxes, licenses, permit and registration fees, income, turnover profit, excess profit, franchise and personal property taxes.

- b) All employment taxes and contributions imposed by law, or trade union contracts, or regulations with respect to or measured by the compensation (wages, salaries or others) paid to employees of CONTRACTOR including, without limitation, taxes and contributions for unemployment and compensation insurance, old age benefits, welfare funds, pensions and annuities and disability insurance and similar items.
- c) Sales and Service Tax
- (i) Any Sales and/or Service tax payable on the lump sums, fixed rates and any other prices set forth in this CONTRACT must be specified and separately stated in **EXHIBIT 3 – COMPENSATION SCHEDULE**.
- (ii) When an invoice is due for payment, NIPPON shall reimburse CONTRACTOR the amount of Sales Tax for any taxable goods manufactured and supplied in Malaysia by the CONTRACTOR under the CONTRACT provided always Contractor shall provide NIPPON with a copy of Sales Tax notification letter issued by the Royal Malaysian Custom Department ('Custom Department') confirming that CONTRACTOR is licensed under the Sales Tax Act 2018 as a taxable person supplying taxable goods.
- (iii) When an invoice is due for payment, NIPPON shall reimburse CONTRACTOR the amount of Service Tax for any taxable services rendered in Malaysia by the CONTRACTOR under the CONTRACT provided always Contractor shall provide NIPPON with a copy of Service Tax notification letter issued by the Custom Department confirming that CONTRACTOR is licensed under the Service Tax Act 2018 as a taxable person providing taxable services.
- (iv) In each of the above invoices, the Sales Tax and Service Tax amount shall be separately stated from the price and/or rates, shall be separately itemised and must state the SST registration number in the invoice accordingly.
- (v) In each of the above invoices, the equivalent amount in Ringgit Malaysia for the purpose of calculating the Sales and Services Tax ("SST") amount in accordance with Sales Tax Act 2018 and Service Tax Act 2018 shall be stated in the invoice. The exchange rate to be used to calculate the equivalent amount in Ringgit Malaysia shall be in compliance with the requirements under the law, regulations or guidelines issued by the Royal Malaysian Customs
- d) CONTRACTOR shall defend, protect and indemnify and hold NIPPON GROUP safe and harmless from any and all claims or liability for income, excess profits, royalty and other taxes assessed or levied by the Government of Malaysia or by any relevant authorities thereof or by the government of any other country against CONTRACTOR or any subcontractor or against NIPPON on account of any payment made to or earned by CONTRACTOR or any subcontractor. CONTRACTOR further shall protect and hold NIPPON GROUP harmless from all taxes assessed or levied against or on account of wages, salaries or other benefits paid to or enjoyed by employees of CONTRACTOR or any subcontractor, and all taxes assessed or levied against or on account of any property or equipment of CONTRACTOR or any subcontractor.

ARTICLE 15 - CONFIDENTIALITY

- 15.1 CONTRACTOR shall within the duration of the CONTRACT and at all times thereafter cause CONTRACTOR's personnel and its staff to preserve the secrecy of Proprietary Information except where this Proprietary Information is in the lawful unrestricted possession of CONTRACTOR or is part of public knowledge or literature.
- 15.2 The undertakings in **ARTICLE 15.1** herein shall continue insofar and for so long as the Proprietary Information in question has not become public knowledge or literature through no fault of CONTRACTOR.
- 15.3 Except as may be required in its business CONTRACTOR shall not disclose to third parties without NIPPON's prior written consent the nature of the SERVICE or the fact that it has entered into this CONTRACT. CONTRACTOR shall not make any reference to NIPPON or its affiliated in any publicity, advertising, or other publication without NIPPON's prior written consent.
- 15.4 Prior to the commencement of SERVICE, CONTRACTOR shall complete and provide to NIPPON the Confidentiality Statement for each CONTRACTOR personnel assigned to NIPPON in a format provided in **APPENDIX I** of this CONTRACT.

ARTICLE 16 - PATENTS AND PROPRIETARY RIGHTS

- 16.1 CONTRACTOR shall promptly inform and disclose to NIPPON all inventions, improvements and discoveries (whether patentable or not) conceived or made by CONTRACTOR's personnel or CONTRACTOR either alone or jointly with others during execution of the SERVICE. CONTRACTOR and its staff shall assign to NIPPON each and every such invention, improvement and discovery and CONTRACTOR hereby grants and conveys to NIPPON all of CONTRACTOR's rights, titles and interest in any such invention.
- 16.2 CONTRACTOR and its staff shall execute such papers as NIPPON requests in connection with the assignment and patent preparation and application covering each invention, improvement, or discovery where NIPPON decide to pursue any application protecting NIPPON's right to such invention. CONTRACTOR's additional reasonable costs in such activities will be paid by NIPPON.
- 16.3 CONTRACTOR shall indemnify and hold NIPPON harmless from and against all costs arising out of any alleged infringement of any patent, proprietary or protected right in the performance of the SERVICE.

ARTICLE 17 - AUDIT

- 17.1 CONTRACTOR shall maintain accurate and correct records of all charges and accounts including employee provident fund remittance, income tax payment, gifts and entertainment expenses in connection with the SERVICE and all transactions related thereto and shall retain all such records and accounts for a period of not less than thirty-six (36) months after the final payment under the CONTRACT or expiry or termination of the CONTRACT whichever is later.
- 17.2 From the effective date and within the time period mentioned above, NIPPON shall have the rights and access at all reasonable times, to inspect and audit books, records, correspondence, instructions, plans, drawings, receipts, voucher, gifts and entertainment records, data stored in computers, other documentation pertaining to

the SERVICE including but not limited to accounts of CONTRACTOR, and its subcontractors, which are deemed to be directly pertinent to the correctness of any invoice presented for payment in connection with the performance of this CONTRACT, and to verify compliance to the CONTRACT terms and conditions. Such audit may also cover the application of CONTRACTOR's rates in determining the value of SERVICE performed.

- 17.3 NIPPON shall have the right to reproduce and retain any such documents, which have been inspected.

ARTICLE 18 - BUSINESS ETHICS

- 18.1 CONTRACTOR shall not enter into any business arrangements with employees or servants of NIPPON or pay any commissions or fees, or grant any rebates to them nor favour them with gifts or entertainment.
- 18.2 CONTRACTOR shall exercise reasonable care and diligence to prevent any action being taken or condition from arising, which conflicts with NIPPON's best interests. This obligation shall apply to the activities of the employees and agents of CONTRACTOR in their relations with NIPPON's employees and their families, or with vendors, subcontractors and third parties arising from this CONTRACT or accomplishing work hereunder. CONTRACTOR's efforts shall include, but not be limited to establishing and maintaining precautions and procedures to prevent the CONTRACTOR its directors, employees, agents or representatives from directly or indirectly making, receiving, providing or offering gifts whether of minimal value or otherwise, entertainment, payments, loans or other consideration to directors, employees, agents or representative of NIPPON for the purpose of influencing individuals to act contrary to NIPPON's interest.
- 18.3 The Parties herein agree that the Malaysian Anti-Corruption Commission Act 2009 (Act 694) ("**MACC Act**"), as may be amended from time to time, is applicable and shall be referred to in this CONTRACT, which provisions are deemed to be incorporated by reference in this **ARTICLE**. CONTRACTOR states that it is familiar with and shall comply with the MACC Act.
- 18.4 CONTRACTOR shall comply at all times with all laws (whether international, national, state or otherwise) and regulations pertaining to anti-bribery and anti-corruption regulations, which are applicable to the WORK, and requirements as may be required by the Malaysian Government or other authorities having jurisdiction and otherwise as set forth by NIPPON in its Anti-Bribery and Anti-Corruption Policy and procedures and any other requirements (if any).
- 18.5 CONTRACTOR shall have a written policy on Anti-Bribery and Anti-Corruption which is of a standard comparable to NIPPON's Anti-Bribery and Anti-Corruption Policy and which has been signed and dated and is actively supported and endorsed by CONTRACTOR's management. The policy shall be written in English and/or Bahasa Malaysia language. CONTRACTOR's policy shall include a description of CONTRACTOR's responsibilities including adequate measures to counter CONTRACTOR's corporate liability under Section 17A MACC Act.
- 18.6 CONTRACTOR shall maintain records of all transactions relating to the performance of this CONTRACT, including, without limitations, the spending of money, any other disposition of assets and the incurrence of liabilities, expenses and contractual obligations, in accordance with applicable laws. Such records shall fairly and accurately reflect the transactions undertaken by CONTRACTOR in the performance of this CONTRACT.

- 18.7 CONTRACTOR represents that it has not done any act or attempt to corruptly solicit or receive or agree to receive, or give, promise or offer, or agreed to give or offer, accept or obtain, or agreed to accept or attempt to obtain, any gratification from and/or to any person which includes but not limited to, any officer of a public body or foreign public officials (as defined under the MACC Act), in connection with this CONTRACT as an inducement or reward for doing or forbearing to do any act or to secure any improper advantage or benefit in relation to the matters contemplated by this CONTRACT, either directly or indirectly through a third party.
- 18.8 In recognition of the principles of the MACC Act, CONTRACTOR represents and agrees that it will not, directly or indirectly, in connection with this CONTRACT and the matters resulting therefrom, corruptly solicits or receives or agrees to receive, or gives, promises or offers, or agrees to give or offer, accepts or obtains, or agrees to accept or attempts to obtain any gratification from and/or to any person, which includes but not limited to, any officer of a public body or foreign public official (as defined under the MACC Act), as an inducement or reward for doing or forbearing to do any act or for the purpose of influencing the act, decision or omission to obtain or retain business related to this CONTRACT, to direct business related to this CONTRACT to any person, or to obtain any improper advantage or benefit. If CONTRACTOR should become aware of any breach, or possible breach, of the provisions of this **ARTICLE**, it shall at the earliest promptly notify NIPPON thereof in writing, including complete details thereof and lodge a report at the nearest office of the Malaysian Anti-Corruption Commission or police station.
- 18.9 CONTRACTOR covenants that should NIPPON notify it of any concerns that there has been a breach of the provisions of this **ARTICLE**, it shall cooperate in good faith with NIPPON in determining whether such a breach has occurred. If such a breach has occurred or CONTRACTOR has taken any action that would create a material risk of liability for NIPPON under any applicable law, it shall be entitled to treat the breach as an event of default by CONTRACTOR and to exercise any rights it may have under this CONTRACT upon the occurrence of an event of default by CONTRACTOR, without regard to any waiting periods or cure periods (if any) specified in this CONTRACT.

ARTICLE 19 - ENTIRE CONTRACT

This CONTRACT sets out the entire CONTRACT and understandings between NIPPON and CONTRACTOR in connection with the subject matter of this CONTRACT and supersedes all prior contracts', understandings and arrangements (if any) relating to the subject matter hereof.

ARTICLE 20 - NOTIFICATION

All instructions, notifications, agreements, authorizations, approvals and acknowledgments shall be in writing (letter, e-mail or facsimile) and sent to the other Party's respective designated representative at the address as per **Exhibit 9 Administrative Procedures**.

Written notice or instruction shall be deemed to have been received:

- a) At time of delivery if delivered by hand.
- b) At time of confirmed receipt if sent by e-mail or facsimile.
- c) At time of receipt or recorded delivery if sent by registered mail or courier service.

If the time of such deemed receipt is not during customary hours of business, notice shall be deemed to have been received at 10.00 a.m. on the first customary day of business thereafter.

Either Party may change the person or address to which notices shall be sent to such Party by giving the other Party written notice of such change.

ARTICLE 20 – ELECTRONIC SIGNATURE

Parties acknowledge and agree that this CONTRACT may be executed and delivered by email or by means of any other electronic signature by any of the Parties, which shall be considered as an original signature for all purposes and shall have the same force and effect as an original signature subject to the Electronic Commerce Act 2006.

The receiving Party may rely on the receipt of such document so executed and delivered by facsimile or other electronic means as if the original had been received. Without limitation, “electronic signature” shall include faxed versions of an original signature or electronically scanned and transmitted versions of an original signature or signatures delivered by email.

END OF EXHIBIT 1