

JFE Techno-Research Corporation Service Agreement General Terms and Conditions

The purpose of these General Terms and Conditions is to provide for the terms and conditions which apply to all general agreements between JFE Techno-Research Corporation (hereinafter referred to as “JFE-TEC”) and the client which are necessary to perform all services such as analysis/physical property evaluation and research (hereinafter referred to as “Services”) which the client consigns to JFE-TEC.

Article 1 (Scope of Services)

JFE-TEC shall, in addition to services provided for herein, perform the Services falling within the scope specified in an individual contract which is provided for in Article 3 and shall submit a report of the results of the Services performed.

Article 2 (Price)

The total quoted amount shown in the quotation (Consumption tax, etc. shall be otherwise added to the price) shall be effective until the end of the term of validity as stated in the quotation.

Article 3 (Individual Contract)

- (1) In case of consigning the performance of the Services to JFE-TEC, the client shall prepare the written request, etc. based on information set forth in the quotation, and shall deliver it to JFE-TEC.
- (2) An individual service consignment contract between the client and JFE-TEC shall become effective at the time when the intention of purchase order is confirmed in writing (including email and facsimile; hereinafter the same in this Agreement).
- (3) In the event of an inconsistency between the provisions of an individual contract and those of these General Terms and Conditions, those of an individual contract shall govern.

Article 4 (Payment)

- (1) Unless otherwise agreed herein, payment of consignment fees shall be made by bank transfer to the account designated by JFE-TEC not later than the end of the month following the month in which the acceptance inspection was conducted.
- (2) If JFE-TEC is unable to confirm that payment of consignment fees referred to in the preceding paragraph had been made not later than the due date, JFE shall be entitled to charge delayed interest calculated at the rate of 6% per year (on a prorated basis with 365 days per year) on any outstanding balance of such payment for a period from the day following the due date until the day before the day of actual payment.

Article 5 (Confidentiality)

- (1) With regard to information, data and results of the Services performed, which are disclosed or provided orally or in writing by the client as well as the client’s information which has been obtained in the course of performing the Services and which has been disclosed by the client stating expressly that such information is confidential (provided that in the case of oral disclosure, limited to information

provided to JFE-TEC stating that the information is confidential, accompanied by the written brief summary of the confidential information within thirty (30) days of the date of oral disclosure.) (hereinafter collectively referred to as the “Confidential Information”), JFE-TEC shall not disclose or divulge to any third party or use the Confidential Information for any other purpose than that of performing the Services without the written consent of the client, except for information coming under any of the following subparagraphs.

- a. Information which was already in the public domain or generally available to the public at the time of disclosure or which, after disclosure by the client, comes into the public domain or becomes generally available to the public due to an event that is not attributable to the disclosing party’s own fault.
 - b. Information which was already in the possession of the receiving party prior to disclosure by the client.
 - c. Information which has the same content as that of information lawfully disclosed by a third party after disclosure by the client, and for which the receiving party assumes no obligation of confidentiality against the third party.
- (2) Notwithstanding the provisions of the preceding paragraph, if JFE-TEC subcontracts to the third party the whole or any part of analysis/physical property evaluation and research services, JFE-TEC may disclose the Confidential Information to the subcontractor concerned with the prior consent of the client, provided that JFE-TEC shall take all reasonable measures to ensure that the subcontractor assumes the obligation of confidentiality not less strict than that imposed on JFE-TEC under the provision of the preceding paragraph.
 - (3) The client shall not disclose or divulge to any third party information as to the method of performing the Services and the results of the Services performed, which are disclosed by JFE-TEC orally or in writing, without the prior written consent of JFE-TEC, except for information referred to in the proviso of paragraph 1 herein.
 - (4) Each provision of this Article shall remain in force for a period of two (2) years after submission of the Services report if an individual contract is entered into, or for two (2) years after confirming the performance of the Services if no individual contract is entered into.

Article 6 (Report)

JFE-TEC shall make delivery of data, reports, samples, equipment and others not later than the date prescribed in an individual contract.

Article 7 (Supply of Samples)

- (1) The client shall supply JFE-TEC with information, samples, equipment and materials, etc. which are necessary to perform the Services, not later than the date prescribed in an Individual Contract; provided, however, that JFE-TEC may reject receipt of those not meeting the standard for use on the job as prescribed.
- (2) If the client fails or is likely to fail to supply samples, etc. not later than the date prescribed in an Individual Contract, the client shall immediately notify JFE-TEC thereof, and both parties shall discuss and decide the action to be taken including the extension of the date of submitting the Services report.

Article 8 (Actions after Completion of Services)

- (1) JFE-TEC shall, immediately after completion of performing the Services, return to the client the samples supplied as well as documents, photographs and equipment and materials, etc. which have been supplied subject to the return after completion of performing the Services. Any expenses incurred in returning them shall be borne by the client in principle.
- (2) Unless otherwise agreed herein, JFE-TEC shall keep a copy of the written report of the Services performed in custody for a period of five (5) years and other records, etc. relating to the Services in accordance with the quality manual of JFE-TEC.

Article 9 (Use of the Results)

- (1) JFE-TEC shall not be liable for any damage resulting from or caused in connection with the client's use of the results of the Services.
- (2) If JFE-TEC fails to use due diligence in performing the Services or if any error is discovered in the content of the Service report or if such defectiveness is caused by an event that is attributable to the fault of JFE-TEC, JFE-TEC shall, after consulting with the client, re-perform the Services at the expense of JFE-TEC or indemnify the client for any damage suffered by the client to the extent of not exceeding a total amount of consignment fees paid by the client. JFE-TEC shall not assume any other responsibility than those mentioned above.
- (3) JFE-TEC makes no warranty that the performance of the Services will not result in infringement on the intellectual property rights of any third party.

Article 10 (Termination of an Individual Contract)

- (1) If an event set forth in any of the following subparagraphs occurs to either of the parties, the non-defaulting party may, without giving any notification to the defaulting party or without taking any other procedures, immediately terminate the whole or any part of an Individual Contract which is still unperformed, or may suspend the performance of an Individual Contract. In such a case, such the termination or suspension of an Individual Contract shall not preclude the non-defaulting party from claiming compensation for damage.
 - (a) A breach of any of terms of these General Terms and Conditions and/or an Individual Contract

- (b) Dishonor of a bill drawn or accepted by either party
 - (c) Procedure for collection of tax delinquency of taxes and other public charges
 - (d) If a petition is filed for compulsory execution of attachment, provisional attachment, provisional disposition, or for auction by the third party
 - (e) If either party files a petition for bankruptcy proceedings, corporate reorganization proceedings, company arrangement, special liquidation, civil rehabilitation proceedings or any other judicial insolvency procedures.
 - (f) Resolution of dissolution of a company
 - (g) Any other event due to which it is reasonably recognized that it would be difficult for the other party to perform the obligations under an Individual Contract.
 - (h) If it is clarified that members of organized crime groups exercise substantial influence over the management of either party or that either party has a close relationship with members of organized crime groups or belongs to the group similar to the foregoing.
- (2) If an event set forth in any of subparagraphs of the preceding paragraph occurs to either of the parties, either party may, without giving any notification to the other party, make the other party waive the benefit of time for all its debts against the opponent party.

Article 11 (Termination of Individual Contract by Client)

Unless specified in the preceding Article, if the client terminates an individual contract, due to an event that is attributable to the fault of the client, after the date when an intention of placing orders was confirmed in writing (including cases of rescision, withdrawal, cancellation and avoidance; hereinafter the same in this Article), JFE-TEC may, as charges for cancellation, claim payment of an amount equal to expenses resulting from such termination as a rule.

Article 12 (Force Majeure)

If either party finds it difficult to perform the Services due to any act of God and any other event that is not attributable to the fault of JFE-TEC, both parties shall discuss and decide actions to be taken.

Article 13 (Matters to be discussed)

Any matter not stipulated herein or any question out of interpretation of these General Terms and Conditions shall be settled through consultation between both parties in a spirit of compromise from time to time.