TERM OF REFERENCE

CONSTRUCTION OF BOOSTER FAN CRANE RAILWAY STEEL STRUCTURE UNIT 2

(IMPELLER SIDE AND MOTOR SIDE)

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1. INVITATION TO BID

Construction of Booster Fan Crane Railway Steel Structure Unit 2
(Impeller side and Motor side)

On behalf of Hongsa Power Company Limited ("HPC"), I am pleased to invite you to propose the Construction of Booster Fan Crane Railway Steel Structure Unit 2 (Impeller side and Motor side) for Hongsa Power Plant, located in Hongsa District, Xayabouly Province of the North-West of Lao PDR.

HPC established in 2009 by Banpu Power Limited (BPP), Ratchaburi Electricity Generating Holding Public Company Limited (RATCH) and Lao Holding State Enterprise (LHSE) for the project operation of 1,878 MW coal-fired mine mount power station to develop and operate for supplying sustainable source of energy in Laos and Thailand.

Regarding the procurement of Construction of Booster Fan Crane Railway Steel Structure Unit 2 (Impeller side and Motor side), the Bid Proposal shall be submitted as specified in this TOR and shall be lodged in the Bid Box in the reception of the procurement, not later than 05:00 PM Laos Standard Time (LST) on the closing date **15 Sep 2026** provided that late submission of the Bid Proposal may not be considered under any circumstances.

Currently, HPC operates power plant stations for 10 years foregoing commercial operation since 2015. The Bidders can access and view our certain commitment and information at the HPC's website www.hongsapower.com. In addition, the Bidders may request additional information for the performance of Bid Proposal during the event.

Kind regards,

Mr. Pichast Choorit

Chairman of Procurement Committee

for and on behalf of the Procurement Committee

2. INTRODUCTION AND BACKGROUND

Background

Hongsa Power Plant serves as a part of the development of 1,878 MW coal-fired power project to supply electricity to Laos and Thailand, located in Hongsa District, Xayabouly Province of the North-West of Lao PDR includes all the project facilities related thereto (together, the "Hongsa Project") in the National Power Development Program of Laos.

Since the Hongsa Project comprises, not only the Power Plant but also 500 kV Transmission Lines, 500 kV Substation, 115 kV Substations, Coal Mine, 2 Dams and Water reservoir so that varieties of equipment, spare parts, and tools for the Hongsa Project.

On the whole, this Term of Reference (the "**TOR**") is orderly prepared to provide enquiries and invite potential Bidders for the Bidding Process by following the intention of Construction of Booster Fan Crane Railway Steel Structure Unit 2 (Impeller side and Motor side).

Objective

Hongsa Power Company Limited ("**HPC**" or the "**Employer**") requires the Construction of Booster Fan Crane Railway Steel Structure Unit 2 (Impeller side and Motor side).

Hongsa Power Co., Ltd. intends to enter into a contract for the provision of all materials, labor, transportation, tools, machinery, equipment, and other resources necessary for the Construction of Booster Fan Crane Railway Steel Structure Unit 2 (Impeller side and Motor side) at Hongsa Power Plant. The Work shall be carried out in according to specific conditions, construction drawings, specifications and other details, and shall be completed in a manner that ensures the facilities are fully functional and capable of meeting the objectives of HPC in all respects.

In this regard, the quantities indicated in the TOR are estimates only and provided for reference purposes. The actual quantities required for the Work may be greater or less than those indicated. The Bidder shall be responsible for inspecting the Site and verifying all relevant site conditions prior to submitting its bid.

However, HPC reserves the right, at its sole discretion, to accept or reject any Bid Proposal, in whole or in part, without assigning any reason whatsoever. HPC further reserves the right to verify any statement, information, or document submitted by any Bidder in connection with this TOR. Any verification undertaken by HPC, or any failure by HPC to undertake such verification, shall not relieve the Bidder of any obligation, responsibility, or liability arising from its Bid Proposal, nor shall it limit, waive, prejudice, or otherwise affect any rights or remedies available to HPC.

Currency and Language

- All prices in the Bid Proposal should be quoted in THB.
- Unless otherwise specified by HPC, all Bid Proposal including the supporting information and/or documents should be written in English language. If any

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

Bidding Process Fees

The Bidders are not required to pay the Bidding Process Fee.

3. ELIGIBLE BIDDERS

The bidding is limited, either alone or in joint-venture or in consortium (jointly and severally responsible) who satisfy the required qualifications by HPC as the following:

i. Have the registered capital of not less than THB 1,000,000;

ii. Have successfully completed at least 1 construction contract involving steel structural project, with a contract value of not less than THB 2,000,000, during the 5 years preceding the Bid Submission Deadline.

Also, the Bidders shall:

iii. Be a juristic person duly incorporated, valid existing, and legally authorized to conduct business relevant to the Work;

iv. Have full legal authority to prepare, sign, and submit the Bid and, if awarded, to enter into and fulfil the contract;

v. Not to be bankrupt, insolvent, under liquidation, or subject to any receivership, rehabilitation, or similar proceeding that may materially affect its ability to fulfil the contract;

vi. Have adequate financial resources and capability to perform and complete the Work in accordance with the contract;

vii. Not have had any contract terminated for default, been blacklisted or suspended from bidding related to HPC, HPC's counterparties, or HPC's Bidders;

viii. Not engaging in collusion, bid-rigging, price-fixing, exchange of confidential bidding information, or any other conduct that restricts or obstructs fair competition.

ix. Have no actual or potential conflict of interest that may affect the integrity of the bidding process or its ability to perform the contract independently and impartially.

x. Be able to provide suitably qualified and competent personnel for the performance of the Work. Where applicable to the Bidder's proposed methodology and scope of work, such personnel shall include licensed engineers, work-at-height personnel, welding inspectors, NDT personnel, scaffolding inspectors, and crane installation or testing personnel.

HPC reserves the right to verify any information or document submitted by the Bidder and to request clarification or supporting evidence, provided that no clarification shall materially alter the substance of the Bid.

Failure to satisfy any mandatory eligibility requirements, or the submission of any forged, fraudulent, false, or materially misleading information or documents shall constitute grounds for disqualification, without prejudice to any other rights or remedies available to HPC.

4. HPC'S REQUIREMENT

4.1. PART I: GENERAL TERM

4.1.1. BIDDING PROCESS AND CONDITION OF BID

Bidding Process

The TOR Document is to distribute to the Bidders by e-mail or USB flash drive and/or HPC's website. The Bidders shall propose the Technical and Commercial approach based on the information provided, guidelines scripts and table from HPC or specified herein. The Bidders shall submit to HPC in accordance with the schedule as specified in Clause 4.1.11 (*Tentative Bidding Schedule*).

Addenda

No amendment to the TOR Document shall be effectual unless in the form of a written addendum thereto issued by HPC. An addendum may be notified in writing, facsimile transmission, or e-mail. HPC may, in its discretion, extend the Bid period to allow the Bidders for consideration the addenda.

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

Cost of Bid

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

Discrepancies, Errors, Question and Omissions

In the event that the Bidder finds any discrepancy, error or omission in, or requires clarifications of the TOR, shall notify HPC no later than **10 September 2026** in writing.

HPC is going to respond in writing (with a copy to others) to any notification that is received by **12 September 2026**.

Enquiries of Bid or technical nature may be directed, in the first instance by e-mail to:

Mr. Thanapat Kanchanavilai

E-mail: Thanapat_K@hongsapower.com

Tel.: +856 20 2305 0114

Acceptance and Rejection of Bid Proposal

HPC reserves the right, at its sole discretion, to accept the proposal that is the most responsive and best offer, or to reject any or all proposals, or to waive minor irregularities and informalities in any proposal submitted.

HPC will reject any proposal which, in its judgment, is not responsive. Notwithstanding, HPC shall not be bound to award a contract to the Bidder who has submitted the lowest price proposal. On the other hand, HPC will take into account all evaluating factors and other factors such as compliance with the TOR Documents, technical and financial qualification, capability of the Bidder, and other related matters as HPC deems appropriate to execute the works promptly and vigorously in such manner as to secure delivery and/or completion within the timeframe specified.

Moreover, HPC also reserves the right to separate its order into several purchase orders for different amounts and/or for the selected items to different Bidder and/or to remove any part of scope of supply specified herein and in the TOR Documents after the Bid Evaluation process is completed in order to fulfill its business profit and budget utilization plan.

Ultimately, HPC reserves the right to cancel proposal submission by all Bidders on date and time as designed in TOR due to necessitates the change in our procurement plan.

4.1.2. TOR DOCUMENTS

The TOR Documents shall be issued by HPC for the Bid Proposal as comprised of the document lists as the following together with other documents that are required by the conditions to be submitted by the Bidders with Bid Proposal:

1. Invitation to Bid
2. Introduction and Background
3. Eligible Bidders
4. HPC's Requirements
    a. Part I: General Terms;
    b. Part II: Commercial Conditions; and
    c. Part III: Technical Requirements.
5. Bid Proposals
    a. Form I – Price Bid Form
    b. Form II – Commercial Bid Form
    c. Form III – Documentation Form
    d. Form IV – Technical Bid Form
    e. Form V – Bidder Experience Form
6. Schedule to TOR Document
    a. Schedule I: Form of Performance Bond

b. Schedule II: CA Requirements and Compliances
c. Schedule III: General Conditions of Contract

7. Attachment:
    a. Attachment 01 – HPC-ESD-WP-024 V.03 Site Permit Requisition Procedure;
    b. Attachment 02 – HPC-SRS-WP-010 V.00 Personal Protective Equipment Procedure;
    c. Attachment 03 – HPC-ESD-WP-002 V.06 Waste Management Procedure;
    d. Attachment 04 – HPC-OHM-WP-009 V.00 Drug Screening and Testing; and
    e. Attachment 05 – Drawing of construction.

4.1.3. REQUIRED BIDDER SUBMISSION DOCUMENT

Notwithstanding, the Bidders shall submit the following documents but not limited to:

i. **Price Proposal Documents (Envelop 1)** is to be used for the examination of the Bidder, consisting of:
    a) Quotation;
    b) Printout of the completely filled-up Form I – Price Bid Form; and
    c) USB Flash Drive contains the PDF file of the item a) and Excel File of Form I – Price Bid Form.

ii. **Technical Proposal Documents (Envelop 2)** is to be used for the examination of the Bidder, consisting of:
    a) Print-out of the completely fill-up Form III – Documentation Form;
    b) Print-out of the completely fill-up Form IV – Technical Bid Form;
    c) Print-out of the completely fill-up Form V – Bidder Experience Form;
    d) Organization chart with name, position, telephone number, and email address;
    e) Official curriculum vitae (CV) of project manager, welder, safety officer;
    f) Copy of welding certificate; Level – 3 (PH/5G, H – L045/6G)
    g) Copy of engineering certificate;
    h) Inspection and test procedures;
    i) Quality control procedures/ testing procedures;
    j) Master project plan;

k) Datasheet of material specification;

l) Datasheet of welding QA/QC;

m) Manufacturer's material safety datasheet (MSDS);

n) Safety, health and environment management plan and control procedure or emergency drill;

o) USB Flash Drive contains the Excel File of Form III - Commercial Bid Form and PDF Files of Items a) to n).

iii. **Commercial Proposal and Corporate Documents (Envelop 3)** is to be used for the examination of the Bidder, consisting of:

a) Printout of the completely filled-up Form II - Commercial Bid Form;

b) Printout of the completely filled-up Form III – Documentation Form;

c) Copy of Certificate of Registration of the Bidder (not outdated more than 6 months);

d) Copy of Tax Certificate;

e) Copy of Passport / ID Card of the Company Directors;

f) Copy of Power of Attorney (if any);

g) Copy of Passport / ID Card of the Authorized Representatives if in case there is a Power of Attorney, if any;

h) Company profile, reference project list, and other documents required by HPC;

i) Company Organization Chart;

j) Authorization letter in case the Bidder is an authorized dealer for supply of the goods;

k) The last Financial Statement Audited (upon HPC request);

l) ISO 9001, ISO 14001, ISO 45001 and OHSAS 18001 Certificates (if any); and

m) USB Flash Drive contains the Excel File of Form III - Commercial Bid Form and PDF Files of Items a) to l).

Provided that, the above documents must be certified by the authorized person(s) and affixed with the company seal of the Bidder.

HPC provides the Bidders with one complete set of TOR Document as electronic format. However, the Bidders shall immediately return all TOR and materials provided by HPC and copies thereof at Procurement Division in Hongsa as the following:

i. If a party invited to Bid determines that it will not do so;

ii. If a Bidder is notified by HPC that the Bid has been unsuccessful;

iii. Upon request in writing by HPC.

4.1.4. SUBMISSION OF BID PROPOSAL

1. The Bid Proposal shall be submitted to HPC in 3 separate sealed envelopes:
   i. **Envelope 1 (Price Proposal):** sealed envelope shall contain the quotation together with the Price Proposal Documents;
   ii. **Envelope 2 (Technical Proposal):** sealed envelope shall contain the Technical Proposal Documents; and
   iii. **Envelope 3 (Commercial Proposal and Corporate Documents):** sealed envelope shall contain the Commercial Proposal Documents.
2. Prior to submission of the Bid Proposal, the Bidders shall thoroughly review and study the entire Bid Documents as well as attachments and deeply comprehend the conditions as stipulated herein.
3. The Bidders shall seal the original of the Bid Proposal in the envelopes address to:

   "The Procurement Committee of contractors for the Construction of Booster Fan Crane Railway Steel Structure Unit 2 (Impeller side and Motor side)"

   "Bid Proposal for Contractors for the Construction of Booster Fan Crane Railway Steel Structure Unit 2 (Impeller side and Motor side)"

   and label the envelope as follows:

   Envelope 1: Price Proposal

   Envelope 2: Technical Proposal

   Envelope 3: Commercial Proposal

   The submission of the Bid Proposal shall be addressed to HPC's personnel and office address as provided, no later than 05:00 PM local time on the date of **15 September 2026**.
4. The lodgment of Proposal Submission

   Bid Proposal shall be enclosed with a sealed envelope and addressed to:

Hongsa Power Company Limited Attention: Ms. Phannipa Kiatbumrung (Division Manager - Procurement) 3/37-38 Woravichai Road, Nai-Wieng District, Muang Nan, Nan Province 55000, Thailand.	**Hongsa Power Company Limited** Attention: Ms. Phannipa Kiatbumrung (Division Manager - Procurement) Phonchan Office, Hongsa District, Xayaboury Province, Lao PDR.	**Hongsa Power Company Limited** Attention: Ms. Phannipa Kiatbumrung (Division Manager - Procurement) NNN Building 4th Floor/Room No. D5, Boulichan Road, Phonsinouan Village, Sisattanark District Vientiane Capital, Lao PDR.

5. For the determination of the deadline for the Bid Proposal Submission, any documents submission by the Bidders later than the date of **15 September 2026**. HPC reserves the right to consider as deemed appropriate whether to reject or receive such delay Bid proposal Submission.

4.1.5. SITE VISIT

To ensure a common understanding of the Site conditions and the requirements of the Work, and to enable the Bidder to prepare a complete and accurate Bid Proposal, the Bidder should attend the Site Visit and inspect the Site before submitting its Bid Proposal. The Bidder should verify the Site conditions, access arrangements, dimensions, interfaces, existing facilities, and the accuracy and completeness of the construction drawings, specifications, and other information relevant to the Work.

If the Bidder identifies any discrepancy, ambiguity, error, omission, inconsistency, or missing information in the TOR, construction drawing, specifications, or other Bid Documents, the Bidder shall notify HPC in writing within the period specified in the TOR and request clarification before submitting the Bid Proposal.

Where the Bidder considers that an additional material, service, or cost is necessary to complete the Work in accordance with the intent and objectives of the TOR and the construction drawings, the Bidder shall clearly identify such item in its Bid Proposal and include the corresponding price under "Miscellaneous Items" in the construction cost breakdown.

The Site Visit is not mandatory. However, whether the Bidder attends the Site Visit, the Bidder shall be deemed to have satisfied with the Site conditions and all matters affecting the execution and completion of the Work. The Bidder shall not be entitled to any additional payment or extension of the time, variation, or other relief arising from its failure to inspect the Site, review the Bid Documents, or ascertain any information that could reasonably have been identified prior to submission of its Bid Proposal. Attendance at the Site Visit shall not relieve the Bidder of its responsibility to independently verify all information relevant to the Work.

The Site Visit is scheduled to take place at OM Building, Hongsa Power Plant on **10 September 2026**. HPC will facilitate access to the Site accompany the Bidder's authorized representative during Site Visit.

The Bidder shall submit the name, position, contact details, and identification information of its authorized representative who will attend the Site Visit to HPC's contract person no later than **7 September 2026.**

Contact Person (Commercial): Ms. Phannipa Kiatbumrung (Division Manager - Procurement) E-mail: Phannipa_k@hongsapower.com Tel: +856 20 5244 1809	**Contact Person (Technical):** Mr. Thanapat Kanchanavilai (Section Manager - Facility Management) E-mail: Thanapat_K@Hongsapower.com Tel: +856 20 2305 0114

4.1.6. BID EVALUATION PROCESS

The Bidders shall respond to all requirements in the TOR to the maximum extent possible to ensure that all aspects of the evaluation criteria are covered. HPC also encourages the Bidders to expand their responses to include details of technical infrastructures, standards, and key differentiators. Besides, the Bidders are required to clearly identify limitations and expectations of the specifications and requirements inherent in the proposed Bid Proposal.

Any Bidder, who submits the documents and information that are not complied with the materials, conditions, and specifications as HPC's requirements, shall be rejected from the determination.

The conditions of Bid Evaluation process are as follows:

<u>Bid Opening</u>

i. Bid is going to be opened after 05:00 PM on the next date of closing date for Bid Submission date, provided that the Bid Opening is internally private.

ii. In the event that a Bid received after the time as set for the receipt of Bid Submission may be returned, unopened or retained for consideration entirely at the option of HPC.

iii. Related information to the examination, clarification and evaluation of Bid and recommendations concerning the award is confidential to HPC, who shall be under no obligation to disclose the information to any Bidders.

<u>Clarification and Evaluation of Bid Proposal</u>

i. To assist on the examination, evaluation and comparison of Bid Proposal, HPC may, at its discretion, inquire any Bidders for clarification of their Bid Proposal. However, the requested clarification and response shall be in writing and no change in the Price or substance of Bid Proposal, shall be sought, offered or permitted.

ii. The Bidders may be requested to participate the Bid Evaluation meeting at the site in Laos, Nan Office in Thailand, or Tele-Conference (if any).

iii. HPC may waive any informality in any received Bid Proposal and reject any and/or Bid Proposal without assigning reasons, therefore.

<u>Right to Negotiate</u>

i. HPC may in its discretion negotiate with any Bidders after the Bid closing.

ii. During the Bid Evaluation period, HPC may negotiate with the Bidders to vary some aspect of HPC's specification and requirements or the Bidders' Bid Proposal, including but not limited to conditions of contract, scope of service, capability, costs and effectiveness or matters that related to the combination of part of the Bid Proposal with another of Bid.

<u>Bid Evaluation Criteria</u>

The Bid Evaluation Criteria for the awarded Bidder selection is listed as the following:

i. <u>Qualification of Bidder</u>

The completeness and qualified criteria of the following documents, including but not limited to the Bidder's profiles and experiences, financial statement and current asset value, statement of capability, team members and proposed safety, system and procedures.

ii. Technical Evaluation

a. The completeness and conformance of the technical specifications and requirements confirmation as specified in Form II - Technical Bid Form;

b. The suitable and conformance of warranty conditions;

iii. Commercial Evaluation

a. The completeness and conformance as specified in Form III – Commercial Bid Form;

b. HPC reserves the right to consider any portion of such commercial for the entire benefit of HPC.

iv. Price Evaluation

a. Price of goods for all relevant costs and expenses as specified in Form I - Price Bid Form;

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

Bid Evaluation Process

i. Preliminary determination to qualify Bidders for the Short-Listed Bidders

a. HPC shall determines whether each Bidder satisfy the qualification requirements, whether any Bidders has engaged in collusion with other Bidders, and whether the Bid Proposal complies with the requirements specified herein.

If, before or during the Bid Process, HPC determines that any Bidder has committed any act that obstructs fair competition, HPC shall revoke such Bidder from the list of the Short-Listed Bidders and impose the applicable sanctions of omission of work.

HPC reserves the right to take any action and proceed with any process it deems appropriate during the Bid Process in the best interest of HPC.

b. The Bidders shall first be evaluated based on their qualifications, including their corporate credentials. A Bidder with a limited corporate profile may submit additional evidence demonstrating its capability to perform the Work under the scope of this Project, including a bank guarantee issued by an acceptable financial institution.

c. If HPC determines that a Bidder’s Proposal does not satisfy the criteria set forth in the preceding paragraph, HPC may disqualify such Bidder from further technical evaluation.

d. Only Bidders that satisfy the eligibility requirements of the Project shall proceed to the technical evaluation stage.

ii. Examination of the Bidders' Proposal

Upon qualification of the non-price aspects of the Bid Proposal, HPC shall proceed with the commercial and price evaluation based on the scoring criteria solely designed and specified by HPC.

a. If the rates and price specifications in the Price Proposal do not conform to the requirements of the Bid Documents, or are unreasonable or inconsistent with the type, size, dimensions, or scope of the goods or services to be supplied, HPC may disqualify such Bidder.

b. In assessing the suitability of a Bidder for contract award, HPC shall be entitled to request clarification regarding the Bidder's pricing, rates, commercial status, and other relevant information. HPC reserves the right to reject the Price Proposal or decline to enter into a Contract with the Bidder if the supporting evidence is deemed inadequate, inappropriate, or incorrect.

c. HPC reserves the right to reject the lowest Price Proposal, any portion thereof, or the entire Price Proposal if it determines that such action is in the best interests of HPC. The determination of HPC shall be final. HPC shall also be entitled to impose sanctions on the Bidder for omission of work, whether the Bidder is ultimately awarded the Contract. This includes cases where there are reasonable grounds to believe that the Bid Proposal is fraudulent, including misrepresentation of documents or the use of nominees or other individuals or juristic persons to submit the Bid.

d. If the lowest-priced Bidder submits a price that is abnormally low and may adversely affect Bidder's ability to perform the Contract, HPC may require the Bidder to provide an explanation and supporting evidence demonstrating its capability to fully perform its obligations under the Contract. If such explanation or evidence is not satisfactory, HPC may, at its sole discretion, reject the Bidder's proposed price.

e. The Bidder acknowledges and accepts that the selection process shall be conducted at the sole discretion of HPC and that HPC's decision shall be final.

If the Awarded Bidder is proven to have colluded with another Bidder or has committed any act that obstructs fair competition after the conclusion of the Bidding Process, HPC shall have the right to revoke the award and remove such Awarded Bidder from the list of approved Bidders. HPC may also impose sanctions on such Bidder for omission of work.

Bid Proposal Validity Period

Bid Proposal shall remain valid for a period of 90 days from the expiration of the Proposal Submission Date. The Bidder has to specify the validity in Form III: Commercial Bid Form.

4.1.7. GOOD ENGINEERING PRACTICE/ NATIONAL OCCUPATIONAL SKILL STANDARD

Upon the successful Bidder is selected for this project including entitled to enter into the contract thereafter, the successful Bidder agrees to provide the personnel and undertake the Work by the person(s) who has passed the occupational skill standard as tested and/or certified by a skill development institute or an educational institution certified by the government to suitable with the scope of Service including requirements and specifications for the project.

4.1.8. ENTER INTO CONTRACT

- After the Bid has been evaluated as the specified in the Bidding Schedule herein, the Letter of Award (LOA) or Letter of Intent (LOI) may be issued by HPC to the successful Bidder in order to advise the successful Bidder of HPC's intent to award a contract of this project prior the enter into the contract thereto.
- The parties are responsible for preparing the contract upon the terms and conditions as preliminary set forth in the General Conditions of Contract (schedule II) as attached thereof.
- The successful Bidder shall provide HPC with the Performance Bond in the amount and conditions specified herein within the period specified herein.
- Subject to Law PDR Laws requirement, the successful Bidder shall register the temporary tax identification number for Lao corporate income tax and any others required/complied under a) HPC Concession Agreement and b) Lao PDR Laws.

4.1.9. CONFIDENTIALITY AND INTELLECTUAL PROPERTY

All information contained in this TOR and all drawings, specifications, documents, data, records, and other materials provided by HPC (collectively, the "Confidential Information") are confidential and proprietary to HPC.

The Bidder shall use the Confidential Information solely for the purpose of preparing and submitting its Bid Proposal and shall not disclose, reproduce, copy, distribute, or otherwise make available any Confidential Information to any third party without the prior written consent of HPC, except to its employees, advisors, or subcontractors who have a legitimate need to know such information for the purpose of preparing the Bid Proposal and who are bound by confidentiality obligations no less restrictive than those contained herein.

The Bidder shall take all reasonable measures to protect the confidentiality of the Confidential Information and shall restrict access to such information to the minimum number of persons necessary for the purposes of the Bid Proposal.

All drawings, specifications, designs, calculations, technical data, documents, and other materials supplied by HPC shall remain the exclusive property of HPC and nothing contained in this TOR shall be construed as granting any license, assignment, transfer, or other right in respect of any intellectual property rights of HPC.

Upon request by HPC, or upon completion, withdrawal, or termination of the bidding process, the Bidder shall promptly return or destroy all Confidential Information and all copies thereof, except where retention is required by applicable law.

The Bidder shall not use any drawing, design, specification, technical information, or other intellectual property of HPC for any purpose other than the preparation of the Bid Proposal and performance of the Work. Any unauthorized use, reproduction, disclosure, or exploitation thereof shall constitute a material breach of this TOR and may result in disqualification from the bidding process and any other remedies available to HPC under applicable law.

The obligations set out in this Clause shall survive the completion, withdrawal, termination, or expiration of the bidding process and any subsequent contract.

4.1.10. CONTACT PERSON

The following Employer's personnel is the point of contact for any queries relating to the commercial and technical part of the TOR Document.

Contact Person (Commercial):	**Contact Person (Technical):**
Ms. Phannipa Kiatbumrung (Division Manager- Procurement) E-mail: Phannipa_k@hongsapower.com Tel: +856 20 5244 1809	Mr. Thanapat Kanchanavilai (Section Manager - Facility Management) E-mail: Thanapat_K@Hongsapower.com Tel: +856 20 2305 0114

4.1.11. TENTATIVE BIDDING SCHEDULE

HPC shall endeavor to adhere to the following schedule:

No.	EVENT DESCRIPTION	ESTIMATED DATE
1	TOR distribution	5 September 2026
2	Site visit period	10 September 2026
3	Technical and Commercial proposal submission	10 - 15 September 2026
4	Technical and Commercial evaluation	16 September 2026
5	Price proposal submission	17 September 2026
6	Final price negotiation	23 September 2026
7	Approval process by Procurement committee	26 September 2026
8	Awarding	28 September 2026
9	Contract preparation	1 October 2026

No.	EVENT DESCRIPTION	ESTIMATED DATE
10	Contract signing	15 October 2026
11	Contract Commencement	15 October 2026

Remark:

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

4.1.12. TAX AND DULY PROVISION

Tax Privilege and Tax Liabilities

No.	Lao Taxes	Privileges Granted
1	Corporate Income Tax	The successful Bidder shall be responsible for paying any applicable Corporate Income Taxes which is required under the laws of Lao PDR.
2	Personal Income Tax	The successful Bidder shall be responsible for withholding the payment payable to its personnel for Personal Income Tax and paying such withholdings which is required under the laws of Lao PDR.
2	Business Turnover Tax	Exempted for all non-Lao domiciled the successful and its subcontractors.
3	Value Added Tax	The following items will attract a 0% VAT rate for all non-Lao domiciled the successful Bidder and its subcontractors: • all goods, equipment, machinery, materials and services provided to the Employer relating to the operation of the Project (excluding consumer goods and foods, fuel, diesel oil and petroleum-based products); and • all spare parts, chemicals, lubricants, and other similar consumables imported into the Lao PDR by the successful Bidder or its subcontractors in the name of the Employer for use in connection with the Project. Please note that the 0% VAT rate does not apply to goods and services procured from suppliers in Lao PDR.
4	Imported Duties and Taxes	<u>Goods, Equipment, Machinery, Materials and Services</u> All goods, equipment, machinery, materials, and services imported by or provided to the Employer relating to the

No.	Lao Taxes	Privileges Granted
		construction and operation of the Project (including all chemicals, lubricants, explosive, and other consumables (but excluding for the avoidance of doubt consumer goods and foods used by the Project) shall be fully exempted from import duties and taxes. <u>Steel Rebar and Cement</u> There are no import duties on steel rebar and cement so long as such items are not available in Lao PDR based on quality, quantity, or price competitiveness. <u>Fuel</u> During the Operation Period, there is no exemption from import taxes and duties. The successful Bidder and its subcontractors must pay all customary taxes on imported fuel, diesel oil, and petroleum-based products. <u>Spare Parts</u> All spare parts, chemicals, lubricants and other similar consumables imported into the Lao PDR by the Employer or any of the successful Bidder or its subcontractors in the Employer's name for use in connection with the Project shall be exempted from import duties and taxes and all other government duties and taxes payable under Lao PDR Law. <u>Trucks and Construction Vehicles</u> All trucks and construction vehicles (including construction equipment, cranes, heavy lifting equipment, pick-up trucks, and dump trucks) purchased or leased by or on behalf of the Employer, and registered in the name of, and bearing a license plate or tag issued to the Employer or Mining Company are exempted from applicable import duties. <u>Passenger Vehicles</u> All sedans and passenger vehicles purchased or leased by the successful Bidder or its subcontractors, and registered in the name of, and bearing a license plate or tag issue to, the Employer, and used in connection with the Project will be subject to an import tax of one percent (1%). Any truck or vehicle that is not registered to the Employer or which does not bear the appropriate license plates or tags will be fully subject to applicable import taxes and no exemption will apply. Note: There will be no tax exemption on fuel of office vehicles (passenger sedans and other vehicles not used at the construction site for construction activities) during construction and operation period.

4.1.13. COVID-19 PREVENTION MEASURES

The successful Bidder shall strictly comply with COVID-19 prevention measures as stipulated by the Government of Lao PDR and Hongsa District and the Employer's policies while the successful Bidder including its personnel or agents stays and/or performs the Work in Hongsa Site.

The successful Bidder has acknowledged itself through this COVID-19 pandemic, which shall not release the successful Bidder to the fullest extent the successful Bidder's provision under the contract contributed to the COVID-19 pandemic.

For the avoidance of doubt, in no event shall the successful Bidder's delay or failure to perform in accordance with the contract in which is caused by a foreseeable event on the date of the submission of the proposal, including but not limited to COVID-19 pandemic, will be claimable as impracticable performance and deemed as force majeure. The successful Bidder shall use, at its own cost and expense, all reasonable efforts to remedy its inability to perform and to resume full performance hereunder as soon as practicable.

4.1.14. TOR DOCUMENT DISCREPANCY

<u>In any event of any discrepancy</u>, the documents to prevail shall be given precedence in the following order: (i) the Part I of this TOR: General Terms, (ii) the Part II of this TOR: Commercial Conditions, (iii) Part III of this TOR: Technical Requirements, (iv) Attachments, and (v) the Bid Proposal.

4.2. PART II: COMMERCIAL CONDITIONS

4.2.1. KEY DATE

Contract Execution Date	means the date on which the Parties execute the contract unless otherwise agreed in writing by the Parties.
Work Commencement Date	means 15 October 2026, or such other date as may be instructed in writing by HPC.
Interim Scheduled Completion Date	means the date falling 60 days after the Work Commencement Date, being the date by which the Contractor shall have completed the installation and commissioning of the Work and satisfied all requirements for the issuance of the interim Taking-over Certificate.
Scheduled Completion Date	means the date specified by HPC in a written notice issued to the Contractor from time to time, provided that such date shall be notified to the Contractor at least 7 days in advance, bring the date by which the Contractor shall have completed the whole of the Work and

satisfied all requirements for the issuance of the Taking-over Certificate, provided that such date shall be reasonably to achievable having regard to the status of the Work and activities of others.

The Contractor shall confirm acknowledgement and acceptance in writing within 24 hours upon receipt of such notice. Any failure to respond within such period shall not relieve the Contractor of its obligation to achieve the Scheduled Completion Date and shall be deemed the Contractor's acceptance thereof

4.2.2. DELIVERY AND SHIPMENT

unless otherwise agreed in writing by the Parties, the risk, right, and responsibility of each party under this TOR shall be applicable as Incoterms® 2020. Unless otherwise expressly specified by HPC, the Work shall be delivered to the place of delivery no later than the date of delivery as the following:

Applicable Incoterms Rule

This TOR is subject to Delivered Duty Paid (DDP).

Place of Delivery

Hongsa Power Plant, Hongsa District, Xayabouly Province, Lao PDR.

4.2.3. VARIATION OF THE WORK

a. Notwithstanding anything in the contract, any change, modification, addition, or deletion to the Work or the Contractor's condition and method of work made necessary due to any fault of the Contractor in performance of its obligations under the contract or made to satisfy the requirements of the Employer in order to achieve the completion of the Work under the contract shall not be deemed to be a variation and shall not result in any additional payment, adjustment of the contract price, or extension of time.

b. Subject to sub-clause a above, in the event the Employer wishes to change, modify, or add any part of the Work, the Employer shall inform the Contractor in writing. If said change, modification, or addition requires more time for completion of the change, modification, or addition, the Employer shall agree to extend the Interim Scheduled Completion Date or Scheduled Completion Date as deemed appropriate.

c. unless otherwise agreed in writing by both Parties, the payment for such change, modification, or addition of the Work under sub-clause b above shall be made on the same date as the final payment date.

4.2.4. WARRANTY

Unless stated otherwise in the TOR, the Contractor warrants the Employer the Works with the following conditions:

d. The Contractor warrants to the Employer that title to the Works shall pass to the Employer with good and clean title thereof after the Works have been delivered to the Site and accepted by the Employer. At the time of passing title to the Employer, the Works shall be of good quality and free from defects in material, workmanship, installation, performance, and title throughout the Warranty Period.

e. The Contractor shall warrant the proper function of the Works for 12 months of period from the date immediately following the date of acceptance of the Works by the Employer as evidenced by the Taking-over Certificate (the "Warranty Period").

f. During the Warranty Period, the Contractor shall respond to the Employer within 24 hours upon receipt of the Employer's notice of any defect covered by the warranty and shall promptly rectify any such defects discovered during the Warranty Period at its own cost and expense.

g. In relation to any repair or replacement performed under the warranty conditions, the relevant Warranty Period for such repair or replacement shall be extended for a further period of 12 months from the date of completion of such repair or replacement.

h. If the Contractor fails to rectify such defect, the Employer reserves the right to rectify and/or remedy itself or engage a third party to perform such rectification or remedy, at the Contractor's costs and expenses.

i. 1 month prior to the expiry of the Warranty Period, the Employer may conduct such inspections, examinations, and performance tests as it deems necessary to verify that the Work continues to comply with the requirements of the contract and the warranty obligations of the Contractor. If any defect deficiency, or non-conformity is identified during such inspection or testing, the Contractor shall promptly rectify the same at its own cost and expense in accordance with the warranty provision of the contract

j. The Contractor hereby gives the Employer a warranty against any loss or damage arising from any defect under the warranty conditions.

4.2.5. INSPECTION OF MATERIAL

The Contractor shall ensure that all materials, equipment, fabricated steel structures, and other items incorporated into the Works comply with the specifications, drawings, material submittals approved, applicable standards specified herein, and contract's requirements. The Contractor shall submit all relevant material specifications, manufacturer's data sheets, certificates of compliance, mill certificates, test certificates, coating specifications, and other supporting documents as required by Employer at least 7 calendar days in advance for the Employer's review.

Any inspection, witnessing, review, approval, comment, or acceptance by Employer shall not relieve the Contractor of its responsibility for the quality, completeness, fitness for purpose, or compliance of the Works with the contract.

If any material, equipment fabricated steel structures, and other items incorporated into the Works is found to be defective, non-conforming, damaged, or not in compliance with the contract's requirements, the Employer may reject such item and instruct the Contractor to repair, replace, re-test, or re-perform the relevant part at the Contractor's own cost and expense.

Upon satisfactory completion of the required material inspections and quality control activities, the Employer may issue a Certificate of Inspection. The issuance of the Certificate of Inspection shall not constitute acceptance of the Works and shall not release the Contractor from any obligation, liability, warranty, or responsibility under the contract. Notwithstanding anything to the contrary contained herein, the ownership of the inspected material, equipment, fabricated steel structures, and other inspected items shall not be transferred to the Employer. Risk of loss remains with the Contractor.

4.2.6. ACCEPTANCE OF THE WORK

Interim Acceptance

The Employer shall issue an Interim Taking-Over Certificate upon satisfaction that:

a. The installation and commissioning of the railway steel structure for the BUF Impeller Crane or BUF Motor Crane, as applicable, have been completed in accordance with the contract;

b. All inspections, tests, measurements, surveys, NDT examinations, and quality control activities required under the contract have been successfully completed;

c. All required records, certificates, inspection reports, test reports, and as-built documents relating to such portion of the Work have been submitted to the Employer; and

d. No material defect or outstanding item exists that would prevent the safe installation, commissioning, testing, or operation of the crane by others.

The issuance of an Interim Taking-Over Certificate shall not constitute acceptance of the whole of the Work, shall not relieve the Contractor of any obligation under the Contract, and shall not prejudice the Employer's right to require correction of defects, deficiencies, non-conformities, or incomplete work identified before the issuance of the Taking-Over Certificate.

Final Acceptance

The Employer shall issue the Taking-Over Certificate upon satisfaction that:

a. The performance test of the BUF Impeller Crane or BUF Motor Crane, as applicable, has been successfully completed;

b. All requirements of the Contract have been fulfilled;

c. All defects, deficiencies, punch-list items, and non-conformities identified during the Interim Acceptance stage, crane installation stage, commissioning stage, or performance testing stage have been rectified to the satisfaction of the Employer; and

d. The Work has been completed in all respects and is capable of achieving its intended purpose.

Right to Reject

The Employer shall be entitled to withhold the Interim Taking-Over Certificate or Taking-Over Certificate, as applicable, where:

a. The quantity, quality, workmanship, functionality, or performance of the Work does not comply with the Contract;

b. Any inspection, test, examination, survey, measurement, commissioning activity, or performance test has not been successfully completed;

c. Any defect, deficiency, non-conformity, or outstanding work remains uncorrected;

d. Any required document, certificate, report, drawing, record, or deliverable has not been submitted; or

e. The Work cannot be safely used for its intended purpose.

4.2.7. PAYMENT

1. Unless specified in the Form I – Price Bid Form, the proposal shall be quoted on a lump-sum price basis that the Bidder shall provide an itemized breakdown price in all-inclusive basis that covers all items and services necessary for the successful completion of the Work. To consider the bidding price, the Bidder shall completely fill up the Form I – Price Bid Form.
2. The payment payable to the Contractor shall comply with the following conditions:

   i. **The 1st installment:** 36% of the total contract price shall be payable to the Contractor upon the following conditions:

      a. Complete submission of the Performance Bond;

      b. Completion of material inspection as evidenced by Certificate of Inspection; and

      c. Completion of installation and commissioning of the railway steel structure for BUF impeller crane as evidenced by the interim Taking-over Certificate.

   ii. **The 2nd installment** 4% of the contract price shall be payable to the Contractor upon the following conditions:

      a. Complete submission of the Performance Bond; and

b. Completion of performance test for BUF impeller crane as evidenced by the Taking-over Certificate.

iii. **The 3rd installment:** 54% of the contract price shall be payable to the Contractor upon the following conditions:

a. Complete submission of the Performance Bond;

b. Completion of material inspection as evidenced by Certificate of Inspection; and

c. Completion of installation and commissioning of the railway steel structure for BUF motor crane as evidenced by the interim Taking-over Certificate.

iv. **The last installment:** 6% of the contract price shall be payable to the Contractor upon

a. Complete submission of the Performance Bond; and

b. Completion of performance test for BUF motor crane as evidenced by the Taking-over Certificate.

3. Subject to this TOR, all payments for the Service payable to the contractor shall be made under the following conditions:

i. If an invoice is submitted to HPC during the date of 1 – 15 in any month, the payment of such invoice will be paid on the date of 10 of the following month.

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

ii. If an invoice is submitted to HPC during the date of 16 – 31 in any month, the payment of such invoice will be paid on the date of 25 of the following month.

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

4. In the event that the Work is not completed by the Interim Scheduled Completion Date or the Scheduled Completion Date, as applicable, the payment related to such uncompleted Work shall be deducted by the amount of unfinished Work.
5. The Bidders shall be specified its payment term in Form III – Commercia Bid Form. The proposal that will be complying with the preferred Payment Terms without L/C or Advance Payment shall be primarily considered by HPC.
6. The Credit Terms for processing the payment shall be as specified in Form III – Commercial Bid Form of the TOR Documents, which are subject to HPC's payment cycle.

4.2.8. SET-OFF

The Employer shall be entitled to set off against any sum payable by the Employer to the Contractor for any claims for money which the Employer may have against the Contractor whether for damages (including liquidated damages) or otherwise.

4.2.9. WARRANTY RETENTION MONEY

The Employer shall withhold 10% of each payment payable to the Contractor as a security for warranty guarantee given under the contract thereto by the Contractor (the "Warranty Retention Money").

The Employer shall be entitled to apply, deduct, or set off the Warranty Retention Money against any costs, expenses, losses, damages, or liabilities incurred by the Employer arising out of the Contractor's failure to fulfil its warranty obligations.

The Warranty Retention Money shall be released to the Contractor without interest within 45 days after the Warranty Period has elapsed and the contractor has been discharged from all responsibilities or obligations under the contract.

4.2.10. PERFORMANCE BOND

The Contractor shall provide the Employer with an executed Performance Bond issued by a reputable bank acceptable to the Employer in the amount equal to 10% of the contract price. The Performance Bond shall remain valid until 30 days after the Completion Date of the Work and shall be substantially in the form attached in Schedule I of this TOR as security for the due performance of the Contractor's obligations under the contract. The Performance Bond shall be submitted to the Employer within 14 days following the issuance of the Letter of Award.

The Employer shall be entitled to make a claim under the Performance Bond, in whole or in part, in the event that the Contractor fails to fulfil his obligations under the contract.

If the Performance Bond is due to expire before the Contractor has fully discharged its obligations, the Contractor shall extend or replace the Performance Bond at least 30 days prior to its expiry.

The Performance Bond shall be released to the Contractor without interest within 30 days upon the completion of the Work as evidenced by the Taking-over Certificate or the termination of the contract provided that there are no outstanding claims against the Contractor.

4.2.11. LIQUIDATED DAMAGES

1. If the Work is not completed by the Interim Scheduled Completion Date or the Scheduled Completion Date, as applicable, the Contractor agrees to pay the Employer the liquidated damages at a daily rate of 0.1% of the contract price for each calendar day of delay.
2. The aggregate amount of the liquidated damages payable under the contract shall not exceed 10% of the contract price.

4.2.12. PENALTY AND TERMINATION

1. If the Contractor commit a material breach of any obligation under the contract and such breach is not remedied within 7 days after receipt of the notice given by the Employer or such longer period as may be specified by the Employer having regard to the nature of the breach, the Employer may terminate the contract by giving a further written notice to the Contractor, and such termination shall take effect on the date in such notice.

   Upon such termination, the Employer may complete the Work itself or engage a third party to complete the Work, and the Contractor shall be liable for any additional costs, losses, damages, expenses, charges, penalties, claims, and liabilities reasonably incurred by the Employer arising out of or in connection with the Contractor's breach and the completion of the Work.

   Such termination shall be without prejudice to any other rights or remedies available to the Employer under the contract or applicable laws.
2. If the Contractor fails to complete the Work by the date on which the maximum amount of the liquidated damages has accrued, the Employer may, without prejudice to any other rights or remedies available to it under the contract or applicable law, terminate the contract by written notice to the Contractor with immediate effect.
3. The contract may be terminated by mutual written consent of the Parties.

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4.3. PART II: TECHNICAL REQUIREMENTS

4.3.1. SCOPE OF WORK

1. The Contractor shall construct and install the steel structure and crane runway for the BUF impeller overhead crane and BUF Motor overhead crane at Booster Up Fan Building of Unit 2 in Hongsa Power Plant in strict accordance with the engineering drawings, specifications, and requirements provided by HPC. The Contractor shall verify all dimensions, elevations, and existing site conditions prior to commencing the Work. The Contractor shall immediately notify HPC in writing of any discrepancy, inconsistency, omission, or conflict identified in the contract or site conditions.
2. The Contractor shall thoroughly review the nature of the Works and submit a detailed construction plan, material approval schedule, and equipment deployment plan for HPC's approval prior to commencement of the Works. If HPC requires any revision to such plans, the Contractor shall promptly revise and implement the same while maintaining the Interim Scheduled Completion Date and the Scheduled Completion Date.
3. The Contractor shall supervise, organize, and plan all activities necessary to ensure the timely and efficient fabrication and construction within the schedule stipulated. The Contractor shall assign a suitably qualified mechanical engineer, civil engineer, or welding engineer to supervise the Work throughout the execution of the Work. Such supervisor shall remain present at the Site whenever the Work is being performed.
4. The Contractor's Working hours shall be from 8:00 a.m. to 5:00 p.m. If it is necessary to perform the Work outside these hours, the Contractor shall submit a written request to HPC specifying the proposed working date, time, and activities for HPC's approval at least 7 days in advance. The Contractor shall be deemed to have taken the working hour restrictions into account. Any Work performed outside normal working hours shall be at the Contractor's own cost and expense unless otherwise agreed in writing by HPC.
5. The Contractor shall coordinate all activities with HPC and shall comply with all site access, permit-to-work, and operational and safety requirements.
6. The Contractor shall ensure that this the Work is continuously supervised by competent and authorized supervisor until completion. The Contractor may appoint a replacement supervisor, provided that such person possesses sufficient knowledge, experience, authority, and decision-making capability relevant to the Works and that the Contractor has notified the Employer in writing of such appointment.

   The supervisor shall act as the Contractor's representative at the Site and shall be responsible for coordinating and supervising the execution of the Works. Any instruction, notice, approval, comment, or communication given by the Employer to the supervisor shall be deemed to have been duly given to the Contractor.

If the Contractor fails to maintain a competent supervisor at the Site, the Employer may instruct the Contractor to suspend all or part of the Works until a suitable replacement is provided. Any delay, cost, loss, or consequence arising therefrom shall be borne solely by the Contractor.

7. The Contractor shall provide sufficient qualified technicians, skilled workers, and other personnel necessary to execute and complete the Works within the stipulated schedule. All personnel assigned to the Works shall possess the qualifications, competency, experience, and skills appropriate to their assigned duties.

   If the Employer determines that any personnel of the Contractor are incompetent, unqualified, lacking the required skills, engaging in misconduct, or performing the Works in an unsafe or unsatisfactory manner, the Employer may instruct the Contractor to remove and replace such personnel. The Contractor shall promptly provide suitable replacement personnel acceptable to the Employer.

   Any replacement of personnel and any resulting rework, delay, disruption, cost, expense, or loss shall be solely at the Contractor's risk and cost. The Contractor shall not be entitled to any extension of time, additional payment, compensation, or other relief arising from such replacement.

8. The Contractor shall maintain at the Site office at least one (1) copy of the Contract, the latest approved construction drawings, and the approved construction plan, and shall make such documents available for inspection by HPC at all times.

9. In the case that HPC instructs any change, modification, relocation, arrangement, or addition to the Work which does not materially affect the scope, quantity, costs, resources, time required from completion of the Work, the Contractor shall implement such change without entitlement to any extension of time or additional payment.

10. Where any work, material, detail, interface, or requirement necessary for the proper execution and completion of the Works is shown on the drawings, reasonably inferable from the Contract Documents, or required for the intended purpose of the Works, but no applicable specification or standard is expressly specified in the Contract, the Contractor shall perform such work or provide such material in accordance with recognized engineering practices and applicable industry standards. The Contractor shall submit the proposed standard and supporting technical information for HPC's review and approval prior to implementation.

11. Where any change, modification, relocation, adjustment, or deviation from the original drawings becomes necessary during the execution of the Works, whether instructed by HPC or agreed between the Parties, the Contractor shall prepare and submit the relevant shop drawings, calculations, and supporting technical documents for HPC's review and approval prior to implementation. No such change shall be implemented without HPC's prior approval. HPC's

approval of any shop drawing shall not relieve the Contractor of its obligations and responsibilities for the design, accuracy, or proper execution of the Works.

12. Any work, material, service, or item reasonably required for the proper execution and completion of the Works in accordance with the Contract, good engineering practice, and applicable standards shall be deemed included in the Contractor's scope, whether or not expressly stated in the Contract, and shall be provided without additional cost to the Employer.
13. The Contractor shall carry out all inspections, tests, examinations, measurements, and commissioning activities required under the Contract and applicable standards to demonstrate that the Works are complete and fit for their intended purpose. Such tests shall be witnessed by HPC and/or its appointed representatives where required by HPC.
14. If the Contractor is required to demolish, modify, relocate, remove, or interfere with any existing structure, architectural element, system, equipment, utility, or other property in connection with the execution of the Work, the Contractor shall take all necessary precautions to prevent damage to any existing facilities, structures, buildings, equipment, utilities, or other property of HPC or third parties. Any damage caused by the Contractor shall be promptly repaired or reinstated by the Contractor at its own cost and expense to the condition existing immediately prior to such damage, or to such other conditions as may be approved by HPC.

    The Contractor shall not commence any demolition, modification, relocation, or removal work affecting existing facilities without prior consultation with and approval from HPC.
15. If the Contractor encounters any obstruction, interference, or conditions that prevents the timely execution of the Works and is not attributable to the Contractor, the Contractor shall promptly notify HPC in writing, providing reasonable details of the matter. HPC shall use reasonable efforts to address such matter to enable the Contractor to proceed with the Works.
16. Fabrication and installation for the structure shall be carried out according to as specified in AWS D1.1. And all welding shall be carried out according to as specified in ASME Section IX or other equivalent ASME standard.
17. Welding electrodes for joining structural steel shall be conforming to WPS or in compliance with the requirements of standard AWS A 5.1 or equivalent standards.
18. All welded joints shall be visually inspected in accordance with standard ASME section IX which a weld subject to visual inspection will be acceptable if:
    a. The weld is free from surface cracks.
    b. Complete fusion of weld metal and base metal

    And weld subject to visual inspection will be unacceptable if:

    a. Undercut following standard

b. Weld reinforcement

c. Lack of fusion on surface

d. Surface porosity following standard

19. All metal surfaces shall be coated for corrosion protection with painting system of polyurethane according to standard ISO 8501-1.

20. The Contractor shall design, inspect, modify, maintain, inspect, and dismantle all scaffolding required for the execution of the Work. The Contractor shall also maintain such scaffolding as reasonably required to facilitate the installation and performance testing of the BUF Impeller Crane and BUF Motor Crane by others provided that such activities are carried out within the scheduled completion period of the Work.

4.3.2. MANPOWER

The Contractor shall provide sufficient manpower to execute and complete the Work. The Key Personnel who have a direct impact on the quality, safety, and successful completion of the Work shall include, at a minimum, the following:

1. Project Manager – Holding engineering license/certificate and having at least 3 years of experience in steel structure activities and site supervision.
2. Safety Officer – Qualified in accordance with applicable laws and safety requirements relevant to the Work.
3. Welders – Holding valid Welder Qualification Certificate Level – 3 (PH/5G, H – L045/6G) or an equivalent standard applicable to the assigned welding activities.

4.3.3. MATERIAL

1. The materials provided by the Contractor shall be new, unused, free from defect, and suitable for their intended purpose. The Contractor shall ensure that all materials are handled, stored, installed, and used strictly in accordance with the manufacturer's recommendations and instructions.

   Where a material is subject to a Thail Industrial Standard (TIS) or other applicable industry standard, such material shall comply with the relevant TIS, or an equivalent or higher internationally recognized standard approved by HPC.

   Where required by the manufacturer, applicable standards, or good engineering practice, the Contractor shall ensure that the installation, application, or use of such materials is supervised by suitably qualified and competent personnel.

2. The Contractor acknowledges that it has taken into account the availability, procurement lead time, transportation, importation requirements, and all other factors affecting the supply of materials and equipment when submitting its Bid. Any delay, shortage, unavailability, price escalation, import restriction, logistic disruption, or other procurement-related issue affecting materials or equipment

required for the Work shall be deemed within the Contractor's risk and responsibility and shall not entitle the Contractor to any extension of time, additional payment, or other relief under the contract.

3. The Contractor shall not procure, deliver to the Site, install, or use of any material or construction equipment without obtaining HPC's prior written approval. Details of the proposed materials and equipment, including technical specifications, catalogues, manufacturer data, certificates of compliance, and samples where requested, shall be submitted to HPC at least 7 working days prior to the planned procurement or use.

   Any delay arising from the Contractor's proposal evaluation, approval, procurement, or delivery of substitute or equivalent materials shall be deemed to be within the Contractor's control and shall not constitute ground for any extension of time or adjustment to the Scheduled Completion Date or the Interim Scheduled Completion Date, as applicable.

   Where the approved substitute or equivalent material results in a lower cost than the material originally specified and priced in the contract, HPC shall be entitled to an equitable reduction in the contract price equal to such cost difference, and the Contractor shall promptly provide all supporting all supporting cost information reasonably required by HPC to substantiate the adjustment.

4.3.4. SCOPE OF PROVISION

4.3.4.1 HPC'S SCOPE OF PROVISION

1. HPC shall provide a designated area for fabrication of steel structures adjacent to the Booster-up fan Building;
2. HPC shall provide scaffolding material available at the Site without warranty as to quantity, suitability, or availability;
3. HPC shall provide electricity supply at the designated connecting point only;
4. HPC shall provide safety introduction training prior to commencement of the Work; and
5. HPC shall provide the following equipment, subject to availability and prior scheduling:
   a. Mobile crane which is operated by HPC for unloading and installation of the Work.

4.3.4.2 THE CONTRACTOR'S SCOPE OF PROVISION

1. The Contractor shall be responsible for transportation of all equipment and materials between Thailand and Laos, including customs clearance, import permits, duties, transportation permits, border crossing arrangement, and inland transportation.

2. The Contractor shall be responsible for accommodation, meals, transportation, visas, work permits, border passes, and all personnel-related expenses.
3. The Contractor shall be responsible for all transportation, vehicle, fuel, lifting, loading, unloading, storage, and material handling costs associated with the Work.
4. The Contractor shall provide all tools, equipment, consumables, temporary lighting, and ventilation system required for the execution of the Work;
5. The Contractor shall provide all personal protective equipment (PPE) and safety equipment required for its personnel;
6. The Contractor shall be responsible for the design, assembly, inspection, maintenance, modification, dismantling, and safe use of all scaffolding required for the Work;
7. The Contractor shall be responsible for all inspection, testing, NDT, certification, survey, measurement, quality control documentation, and reporting activities required under the contract.
8. The Contractor shall be responsible for housekeeping, site cleaning, waste collection, waste disposal, and restoration of the work area upon completion of the Work.
9. Any item, service, facility, utility, equipment, material, manpower, temporary work, resource required for the proper execution, completion, testing, commissioning, acceptance, and warranty performance of the Work and not expressly stated as being provided by HPC shall be deemed to be included in the Contractor's scope of Provision and shall be provided by the Contractor at its own cost and expense.

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SCHEDULE I - FORM OF PERFORMANCE BOND

PERFORMANCE BOND

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

Hongsa Power Company Limited

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

Date: ________________

PERFORMANCE BOND No.: _________________

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

1. The Guarantor acknowledges that [*Bidder's name*], a company organized under the laws of [*country*] with the principal office located at [*Bidder's address*] (hereinafter referred to as the "**Bidder**") has entered into the service agreement (on the date [*date*] with reference no. [*number*] (if specified)) with Hongsa Power Company Limited (the "**Beneficiary**") for corrective maintenance service for Construction of Booster Fan Crane Railway Steel Structure Unit 2 (Impeller side and Motor side) at Hongsa, Xayaboury Province, Lao PDR, including the conditions of the contract, the annexes thereto and as amended, modified and supplemented from time to time (hereinafter collectively referred to as the "**Agreement**") at an aggregate contract price of [*amount in word*] ([*amount in figure*]) (hereinafter referred to as the **"Contract Price"**). Capitalized terms used herein and not defined herein shall have the meanings ascribed to them in the Agreement.
2. According to the terms of the Agreement, upon the execution of the Agreement with the Beneficiary, the Bidder shall provide a performance bond in an amount equivalent to ten percent (10%) of the Contract Price, being the amount equal to [*amount in word*] ([*amount in figure*]) (hereinafter referred to as the **"Security Amount"**) as a security for the Bidder's liabilities and due performance by the Bidder of its obligations under the Agreement.
3. At the request of the Beneficiary, as of the issuance date of this Performance Bond, the Guarantor hereby irrevocably and unconditionally undertakes to pay as the primary debtor or as the joint and several debtor to the Beneficiary any sum or sums not exceeding the Security Amount upon receipt by the Guarantor of the Beneficiary's demand in writing in the form of Attachment 1, signed by its authorized signatories with the blanks duly completed and stating that the Bidder is in breach of its obligations under the Agreement or has payment liabilities thereunder, without the need to prove or to show further grounds for the Beneficiary's demand or the sum specified therein and regardless of whether the Beneficiary has claimed any damages from the Bidder or not. The Guarantor must make payment of any such demand within five (5) business days of the date of receipt of the demand. The Beneficiary may draw under this Performance Bond any number of times, but in any event not exceeding the Security Amount and within the Validity Period (as defined below).
4. Our payment hereunder shall be made to the bank account as to be designated in the Beneficiary's demand, (free and clear of, and without deduction by reason of any or all present or future taxes, levies, imposts, duties, fees or withholdings, whatsoever, imposed

or collected with respect thereto). All payments under this Performance Bond shall be in Thai Baht.

5. The Guarantor acknowledges and accepts that its liabilities and obligations under this Performance Bond shall not be discharged or released by any arrangement between the Bidder and the Beneficiary with or without the consent of the Guarantor or by any alteration in the obligations undertaken by the Bidder or by any forbearance whether as to payment, time, performance or otherwise. The Guarantor shall pay the Beneficiary the amount demanded notwithstanding the existence of any disputes or differences which may have arisen between the Bidder and the Beneficiary or any defenses which the Bidder may have or any request or instruction which may be given by the Supplier to the Guarantor not to pay the same or any objection made by the Bidder or any other Party.

6. This Performance Bond shall be effective upon the issuance date hereof and shall remain in force and effect until the earlier of (a) the Guarantor receives the Beneficiary's written confirmation to release the Guarantor from liability under this Performance Bond, or (b) 31 December 2026 (the "**Validity Period**"); provided that notwithstanding the expiration of the Validity Period, the Guarantor shall comply with any demand received during the Validity Period. The Guarantor shall not revoke this Performance Bond during the Validity Period. However, in order to be valid, any demand made hereunder must reach the Guarantor on or before the expiry of the Validity Period; the Guarantor shall hold no responsibility or obligation whatsoever for any demand made thereafter.

7. This Performance Bond is subject to the Uniform Rules for Demand Guarantees ICC Publication No. 758; provided that Article 15 (a) of the Uniform Rules for Demand Guarantees ICC Publication No. 758 shall not apply to this Performance Bond.

8. For the matters not covered by the Uniform Rules for Demand Guarantees ICC Publication No. 758, this Performance Bond shall be governed by Thai law. The Guarantor, the Beneficiary and the Bidder irrevocably agree that the Courts of Thailand shall have jurisdiction to hear and determine any suit, action or proceedings, and to settle any disputes, which may arise out of or in connection with this Performance Bond and, for such purposes, irrevocably submit to the jurisdiction of such Court.

9. The Beneficiary may assign upon written notification to the Guarantor, the whole or any part of its rights, benefit, and interest in, to and under this Bank Guarantee whether by way of security or otherwise to any person.

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

Signed and delivered

by the said Guarantor

....

Name:...............................

Designation: ....

Attachment 1

[*Letterhead of the Beneficiary*]

Date: ________________

[*Bank*], as Guarantor

[*Address of Issuing Branch or Office*]

Re: Performance Bond No. [·]

Ladies and Gentlemen:

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

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

1. The Bidder fails to perform its obligations under the Agreement, and we are therefore entitled to draw under this Bond pursuant to the Agreement.
2. We hereby demand payment by the Guarantor in an amount of [*amount in word*] ([*amount in figure*]) by deposit of such amount within five (5) business days of receipt of this demand to [*Beneficiary's bank account detail*].

Very truly yours,

Hongsa Power Company Limited

By: [*signed by authorized person*]

[*Name*]

[*Title*]

SCHEDULE II - CA REQUIREMENTS AND COMPLIANCES

CONCESSION AGREEMENT

CA Requirements

The Bidder warrants that the Works shall themselves comply with, and shall be operable in accordance with, the requirements of the Concession Agreements which are set out on the following pages. The Bidder further warrants that it has performed and shall perform its obligations under the Contract in such a manner and at such times so as not to cause or constitute any breach by the Employer of any of its obligations under or pursuant to the Concession Agreement which are set out on the following pages.

The following obligations are based on similar obligations specifically imposed on the Employer in the below-referenced Clauses of the Hongsa Coal and Limestone Mining Concession Agreement (the "**Mining Concession Agreement**"). These obligations are also imposed upon the Bidder to enable the Employer to comply with its obligations under the Mining Concession Agreement and such obligations may be duplicative of similar obligations already contained in the Mining Services Agreement or other provisions of the Bidding Document, and Bidder agrees to comply with the obligations stated in each of this Schedule 3, the Mining Services Agreement and other provisions of the Bidding Documents regardless of any duplication in whole or in part.

Capitalized terms used but not otherwise defined herein or in the annexes attached hereto shall have the meanings set forth below:

"Commercial Operation Date" or **"COD"** means the earlier of (a) the last day of the Construction Period and (b) date on which the "Third Unit Commercial Operation Date" has occurred in accordance with the EGAT Power Purchase Agreement.

"**Concession Period**" means the period commencing on the execution date of the Mining Concession Agreement and ending twenty-five (25) years after the COD, as the same may be extended in accordance with the terms and conditions of the Mining Concession Agreement.

"**Equal Remuneration**" means rates of remuneration that have been established without differentiation based on the ground of sex or nationality but which exclude expatriate allowances in the form of relocation, overseas living, special disturbance, housing, education, health, travel and similar allowances forming part of the overall employment package of any Foreign Personnel given specifically because they are Foreign Personnel required to work in Lao PDR.

"**Foreign Personnel**" means all Bidder's Personnel who are Foreign Persons.

"**Foreign Persons**" means the period commencing on the execution date of the Mining Concession Agreement and ending twenty-five (25) years after the COD, as the same may be extended in accordance with the terms and conditions of the Mining Concession Agreement.

"**Lao Persons**" means:

(a) natural persons who are Lao PDR citizens; and

(b) businesses and/or companies-principally based in the Lao PDR and which are owned and operated by persons who are Lao PDR citizens, which Lao PDR citizens are in each case, normally resident in Lao PDR.

"**Lao Supplies**" means Project Supplies, the whole or a significant part (being at least 40% in value of the inputs into the end product) of which are produced, assembled or manufactured in the Lao PDR and, in any case, are supplied by Lao Persons.

"**Material subcontractors**" means Subcontractors who are performing services or supplying equipment or materials with a value of US$50,000,000 or more.

"**Mining Project Facilities**" means the Coal Mining Project Facilities and the Limestone Mining Project Facilities.

"**Person**" means any individual, partnership or corporation, wherever organized or incorporated, and all other juridically recognized entities, including governments, governmental bodies and associations whether or not incorporated and includes references to their respective successors and permitted assigns.

"**Project Facilities**" means the Power Plant, the transmission network for the Project, and the Ancillary Facilities, and includes all related equipment and materials.

"**Project Supplies**" means services and goods required by the Employer and/or any Bidder for the purposes of the construction, commissioning, operation and maintenance of the Project.

"**Reporting Year**" means:

(a) the period from the date of execution of the Concession Agreements to the next 1 January date;

(b) a period of each twelve (12) consecutive months commencing on the 1 January date next following the date of execution of the Concession Agreements and then on each successive anniversary of that date; and

(c) the period from the final 1 January date during the Concession Period to the end of the Concession Period.

<u>Clause 1.19 (Supplies and Spare Parts)</u>:

The Bidder shall ensure that at all times during the Operating Period it maintains:

(a) a supply of consumable spare parts adequate to meet the normal needs of the Mining Project Facilities to ensure smooth operations and spare parts for the repair of breakdowns. All spare parts shall be of the standard and specifications set out in the manufacturer's guidelines or recommendations (as applicable), or otherwise of suitable grade and quality; and

(b) sufficient fuels, chemicals and other materials required for the operation of the Mining Project Facilities.

<u>Clause 1.20 (Government Audit Rights)</u>: The Bidder acknowledges that the GOL shall have the right to engage a qualified, independent party to audit the Employer's compliance with its material obligations under the Mining Concession Agreement.

<u>Clause 1.21 (Safety and Emergencies)</u>: The Bidder shall ensure the safe operation of the Mining Project Facilities. The Bidder shall develop in consultation with the Employer and the GOL an emergency plan relating to measures to be undertaken by the Bidder in the event of an emergency situation at or with the Mining Project Facilities, which may threaten life or property or have an adverse impact on the environment. The Bidder shall consider in good faith and incorporate as applicable any recommendations of the GOL with respect to such emergency plan.

<u>Clause 1.23 (Government Inspection Rights)</u>:

(a) The Bidder undertakes that the GOL shall at all reasonable times and on reasonable notice have the right to monitor and inspect the Project to confirm that the Employer is in compliance with its obligations under the Mining Concession Agreement, including all applicable Lao PDR laws;

(b) The Bidder undertakes that without limiting the GOL's specific rights to monitor and inspect the Project, the GOL and its representatives shall from time to time be entitled, on at least two (2) business days' prior written notice to the Bidder, to monitor and inspect the Project construction, maintenance and management of the Project Facilities, operation and management of the Project, the Bidder's records and books with respect to the Project, including the right to confirm information concerning the results of the operation of the Project and the calculation of Net Taxable Income and Gross Operating Revenues of the Project;

(c) The GOL's authorized personnel, who the Employer have cleared in advance pursuant to protocols and procedures to be agreed to by the Employer and the GOL prior to the date on which all the conditions precedent in the Mining Concession Agreement have been met, shall have the right to enter onto the Sites and make reasonable inspections of the Mining Project Facilities at any time and from time to time without prior notice to the Bidder in connection with any emergency or as reasonably necessary to address such emergency;

(d) Upon at least two (2) business days' prior written notice, the Bidder shall, and shall cause its subcontractors to, afford and facilitate reasonable access by the GOL and its representatives to all parts of the Sites and of the Project and, during normal business hours and at reasonable intervals (which access shall be no more than quarterly except to the extent required by clause (iii) above) to the business offices of the Bidder in order for the GOL to carry out monitoring and inspection rights provided in the Mining Concession Agreement;

(e) Without limiting the provisions in the preceding clauses, the GOL shall have the right to make spot inspections of the Sites and the Mining Project Facilities without any advance written notice to the Employer as contemplated in or required pursuant to applicable Lao PDR laws, in each case to confirm that the Bidder is in compliance with its obligations under the Mining Concession Agreement and applicable Lao PDR laws;

(f) The Bidder shall at all times maintain a record containing relevant data and information regarding design, construction, maintenance and operation of the Project to enable the Employer to comply with its obligations under Clause 1.23 of the Power Concession Agreement;

(g) The Bidder shall retain and permit the GOL to inspect (regardless of whether there is a pending dispute) its records required under Clause 1.23 of the Mining Concession Agreement until issuance of the Taking-Over Certificate; and

(h) The Bidder shall bear the costs of the GOL's inspection in the case of an inspection caused by the Bidder's violation of any of its material obligations under the Contract or applicable Lao PDR laws, as well as the costs of remedying such violation.

<u>Clause 2.2 (Grant of Rights for Project Management for the Concession Period)</u>: The GOL grants to the Bidder and its subcontractors:

(a) the right to employ personnel (regardless of whether such personnel are Foreign Persons or Lao Persons) in connection with the management of the Project, as is deemed necessary by the Bidders or its subcontractors, provided that such employment complies with applicable Lao PDR law and Annex 2 to this Schedule 26;

(b) subject to payment of any applicable transportation or use fees and rights of the GOL under the Mining Concession Agreement, the right to take and use from the Sites, such soil, stone, sand, gravel, lime, water and any other products and materials as are necessary for, or are to be used for the Mining Project during the Concession Period free of charge and free of royalties;

(c) subject to the compliance with the applicable authorizations described in the Mining Concession Agreement and the limitations set forth in clause (g) above, the right to clear away and remove timber, overburden and other obstructions from the Sites as required for Project Construction and Project Management and to ensure that Bidders and its subcontractors are provided with timely access to the Sites in accordance with the schedule as provided for under the Mining Concession Agreement;

(d) subject to the Government approval of technical specifications, such approval not to be unreasonably denied or delayed, and subject to the receipt of any applicable authorizations from the Communications and Post Authority under the Prime Minister's Office and the Ministry of Public Security, the right to install and operate for the use of the Mining Company and, to the extent the Mining Company deems appropriate, for the use of Bidders and its subcontractors and their employees and agents, such telecommunications and other infrastructure facilities as it considers necessary or appropriate; provided that such approval of technical specifications is not required for temporary infrastructure during construction works;

(e) such rights of way, easements or other rights for access routes to and from the Sites as are needed for the Mining Project and in connection with Project Management;

(f) the right to import into the Lao PDR and to re-export from the Lao PDR such Equipment and Materials as the Bidder may deem necessary or appropriate for the Mining Project and/or the Project Management, as set forth in the Mining Concession Agreement; and

(g) the rights to (i) establish, maintain and use bank accounts in Foreign Currency, inside and outside the Lao PDR, (ii) receive, disburse, hold, transfer and otherwise transact business in and with Foreign Currency in connection with Project Management, and (iii) receive and maintain and hold its cash and other financial assets in Foreign Currency equity, revenues and proceeds of payments of any kind in bank accounts established and maintained, inside and outside Lao PDR, in each case in accordance with, and subject to the limitations set forth in, the Mining Concession Agreement.

Clause 2.16 (Expatriates): The Bidder shall ensure that the employment of Foreign Personnel is in accordance with the requirements set forth in Annex N to the Power Concession Agreement (attached as Annex 2 hereto) and applicable Lao PDR law, subject to any applicable exemptions granted to the Bidder.

Clause 3.1(d) (Import Duties and Taxes): The Employer shall be exempt from import duties, value added taxes and any other taxes on (i) all Equipment and Materials and all services imported by or provided to the Employer relating to the construction and operation of the Project, and (ii) all spare parts, chemicals, lubricants and other similar consumables imported into the Lao PDR by the Employer or any of its Bidders or Sub Bidders in the Employer's name for use in connection with the Project during the Concession Period; provided, however, that (A) the exemption with respect to imported fuel, diesel oil, and other petroleum-based products shall apply only up to the Commercial Operation Date, and (B) during the exemption period for imported fuel, diesel oil, and other petroleum-based products (i.e., prior to the Commercial Operation Date), such imported fuel, diesel oil or other petroleum based products must be colored or treated in a manner such that they can be distinguished from fuel, diesel oil, and other petroleum-based products from sources in Lao PDR.

Clause 3.2 (Government Penalties): The Bidder acknowledges that the GOL maintains rights under applicable Lao PDR laws to impose fines or penalties (or both) on the Bidder or Its subcontractors, including Persons who work for the Bidder or its subcontractors.

Clause 3.5 (Tax Holiday): During the Concession Period the tax holidays and preferences specifically granted to the Power Plant Company in Clause 3.1(b) of the Power Concession Agreement during the time periods described therein shall also apply to the income of all Bidders, its subcontractors, Shareholders, Lenders and other Associated Persons (other than Bidders and its subcontractors who are domiciled for tax purposes in Lao PDR) to the extent such income is attributable to the Mining Project such that any Bidder, its subcontractor, Shareholder, Lender or Associated Person who is domiciled for tax purposes in a country other than Lao PDR shall be entitled to receive the same tax holiday and preferences then available to the Power Plant Company for the then remaining period of the Power Plant Company's tax holiday period at the same rates then applicable to the Power Plant Company at such time. All Bidders and its subcontractors who are domiciled for tax purposes in Lao PDR or in a country that has entered into a double tax treaty with the Lao PDR in respect of which the procedures and mechanics are effectively established between Lao PDR and such double tax treaty counterparty country to implement the benefits of such double-tax treaty as of the effective date that any contract or subcontract entered into with the Mining Company at any time after the date that the unlimited notice to proceed under the Power Plant EPC Contract has been issued by the Power Plant Company shall not enjoy the foregoing tax holidays or tax preferences. Any Bidder, its subcontractor, Shareholder, Lender or Associated Person who enters into a contract with the Mining Company during the period prior to the date that the unlimited notice to proceed under the Power Plant EPC Contract has been issued by the Power Plant Company notwithstanding the date that procedures and mechanics are effectively established between Lao PDR and the country of its tax domicile, and all subcontractors of any tier of such Bidders and its subcontractors party to such contracts, shall be entitled to enjoy the same tax holidays and preferences available to the Mining Company in Clause 3.1(b) notwithstanding the date of establishment of such procedures and mechanics. Any Bidder or Its subcontractor who enters into a contract with the Mining Company during the period after the date that the unlimited notice to proceed under the Power Plant EPC Contract has been issued by the Power Plant Company and the date that procedures and mechanics are effectively established between Lao PDR and the country of its tax domicile shall not be entitled to an exemption from corporate income tax under this Agreement and will in all cases be required to pay all applicable corporate income taxes on its income earned from activities conducted in Lao PDR. Upon the Mining Company's request, the Government will promptly confirm whether a given double-tax treaty is in effect and provide substantiation that such procedures and mechanics are effectively established in Lao PDR and there is evidence that such procedures and mechanics have been effectively established by the counterparty government. Unless both the Government has provided substantiation that such procedures and mechanics are effectively established for any country at the time that the Mining Company issues solicitations for new Project Documents and there is evidence that such procedures and mechanics have been effectively established by the counterparty government, the Mining Company shall be entitled to rely on the availability of such corporate income tax exemption for the contracts entered into pursuant to such solicitation.

Clause 4.3 (Project Management): The Bidder must perform its obligations under the Contract with the diligence and care of a prudent manager in accordance with the generally accepted international standards with respect to the activities involved. The Bidder and its subcontractors shall be required by the terms of their contracts to comply with all applicable Lao PDR laws and perform their obligations in a manner to ensure that the Employer is not in breach of any of its obligations as set forth in the Contract.

Clause 4.5 (Health and Safety): The Bidder shall take reasonable precautions to protect the health and safety of all persons involved in the construction of the Project or otherwise present at or on the Sites in accordance with the requirements set forth in Schedule 4 and Schedule 18.

Clause 4.6 (Environmental and Social Obligations):

The detailed obligations of the Bidder with respect to environmental and social obligations under Annex Q to the Mining Concession Agreement.

(a) The Bidder shall design and construct the Project in accordance with the obligations set forth in Annex I to the Mining Concession Agreement and the following: (i) the "Hongsa Power Plant, Mining Development and Transmission Line Project Environment Impact Assessment Study Final Report" prepared by TEAM Consulting Engineering and Management Co., Ltd. February 2007; (ii) the "Environmental Management Plan of Hongsa Power Plant, Mining Development and Transmission Line Project" prepared by TEAM Consulting Engineering and Management Co., Ltd. February 2007; and (iii) the "Hongsa Power Plant, Mining Development and Transmission Line Project Social Impact Assessment" prepared by TEAM Consulting Engineering and Management Co., Ltd. February 2007.

(b) The Bidder shall adhere to and observe the standards and practices concerning the protection of health, safety and the environment in accordance with the integrated social and environmental obligations which have been mandated by the GOL and are in force and effect and of general applicability in the Lao PDR, as such requirements and obligations have been incorporated into the integrated social and environmental obligations set forth in Annex Q of the Mining Concession Agreement.

(c) The Bidder shall at all times take all reasonable precautions to protect the environment, both on and off the Sites, and to limit damage and nuisance to people, nature and property resulting from pollution, contamination, noise and other results of the construction, operation and maintenance of the Project. The Bidder shall observe and comply with all environmental requirements set forth in the Mining Concession Agreement and applicable Lao PDR laws, including, subject to the right to a variation order, applicable Lao PDR laws in effect after the date of such variation order.

(d) The Bidder shall at all times manage and be responsible for the handling and proper disposal of all wastes and waste products produced by the Works under the Contract and in so doing, shall comply with all applicable integrated environmental and social requirements.

(e) The Bidder shall collect, maintain and make available for the GOL's inspection all environmental and social information, compliance, violations, claims by other parties, complaints, resolutions, and payments by and on behalf of the Employer or the Bidder.

Clause 4.7 (Training Lao Nationals): The Bidder and its subcontractors shall comply with the Lao reference requirements set forth in Annex N to the Power Concession Agreement (and attached hereto as Annex 2) and shall use commercially reasonable efforts to transfer relevant skills to Lao employees and to employ Lao PDR nationals in each case to the extent practical and consistent with efficient management of the Project; provided that such Lao employees have suitable qualifications or are qualified through suitable practical experience.

Clause 4.8 (Deliver of Construction Plan): The Bidder shall assist the Employer in preparing plans, specifications and a schedule for the construction of the Mining Project Facilities that are consistent with the Master Schedule attached in Annex G to the Power Concession Agreement and shall deliver "as built" drawings for the Mining Project Facilities following completion of the construction thereof.

Clause 4.10 (Compliance with Lao PDR law):

(a) The Bidder shall at all times observe and comply with the provisions of all Lao PDR laws that have been promulgated and are in force and effect.

(b) The Bidder shall keep itself current and well informed on applicable Lao PDR law in respect of the Project to the extent such laws are promulgated and in force and effect in the Lao PDR and the Bidder shall be deemed at all times to have full knowledge of same

Clause 4.15 (Authorizations): The Bidder and its subcontractors shall obtain and maintain all such permits, licenses and governmental authorizations as are required to be obtained and maintained by it under the applicable laws of the Lao PDR, and assist the Employer and the Project to obtain and maintain the permits, licenses and governmental authorizations described in Annex 3 to Schedule 26, which are extracted from Annex H to the Mining Concession Agreement for which the Employer requires assistance from the Bidder in preparing the application.

Clause 4.16 (Archaeological, Geological and Historical Objects): The Bidder shall promptly give the Employer notice of any discovery of archaeological relics, fossils, antique tombs and sites, historical pieces of art and any other objects of archaeological, geological and historical interest and take appropriate measures as are required by Lao PDR law to safeguard such findings and the site on which the objects are located.

Clause 4.17 (Lao Services and Goods): The Bidder shall use, and shall enter into contracts with all its Material Subcontractors that ensure such Subcontractors shall use, commercially reasonable efforts to use Lao PDR services and goods whenever they are (i) of the kind and quality required in order for the Bidder to implement the Works, and (ii) competitive in terms of quality, warranty, service, relevant expertise, procurement, delivery schedule and price, and shall ensure that its subcontractors observe this provision. When evaluating bids for contracts, the Bidder shall take into account the extent to which the bidders use Lao services and goods. In the case of the importation of cement and steel rebar, the Bidders shall provide, and shall cause all of its subcontractors to provide, documentary evidence that (i) such materials are not available of the kind and quality required or (ii) the Lao Bidders of such material are not competitive in terms of quality, warranty, service, relevant expertise, procurement, delivery schedule and price (without taking into consideration the applicable import tax or duties that may be applicable for proposed imported goods and materials but for the exemptions granted under the Mining Concession Agreement). The Bidder shall provide and shall enter into contracts with its Material Subcontractors that ensure that such its subcontractors provide the Employer with a copy of its records relating to its competitive bidding process and all bids submitted pursuant thereto. The Employer shall notify the Bidder whether the GOL accepts such documentary evidence relating to cement and steel rebar within three weeks of submission of such evidence by the Bidder. The Bidder shall ensure that the bidders accept that such documents will be made available to the Government and held by the Government subject to confidentiality obligations. The detailed obligations of the Bidder with respect to Lao PDR services and goods under Annex N to the Power Concession Agreement are set forth Annex 2 to this Schedule 26.

Clause 4.18 (Insurance): The Bidder shall at its own cost effect and maintain in force the types of insurances required by prudent utility practices reasonably expected from a skilled and experienced operator engaged in the same type of undertaking under the same or similar circumstances and location, and consistent with generally accepted international standards for limited recourse debt financed privately owned coal or lignite fired mine mouth power projects and as required by the Power Purchase Agreements, at times and terms consistent with the following requirements:

(a) The insurances required under Clause 4.18 of the Mining Concession Agreement shall be effected and maintained at all relevant times with insurers of international standing and repute. The Bidder agrees that in obtaining its insurance coverages it will invite insurers in the Lao PDR to bid for such insurances and, where such Lao insurers meet the criteria of the Bidder, the Bidder, to the extent permitted by law, agrees that it will give preference to such Lao insurers (subject to the applicable Lao insurers having reinsured with insurers acceptable to the Employer and the Lenders); provided always, however, that the GOL agrees that, other than for statutory insurances having general application in the Lao PDR (e.g., workers compensation and vehicle third party liability insurance), the Bidder shall be under no obligation to effect and maintain any insurance with insurers in the Lao PDR.

(b) The Bidder shall and shall ensure that all its subcontractors comply with the minimum insurance requirements required under Lao PDR laws that have been promulgated and in force and effect in respect of statutory insurances, including, without limitation, suitable worker's compensation insurance before they commence work or services under their contracts.

(c) If the Bidder fails to effect and maintain any of the insurances it is required to effect and maintain under Clause 4.18 of the Mining Concession Agreement, the GOL may at its option and without prejudice to any other right or remedy the effect such insurance at the Bidder's expense. The Bidder shall reimburse the GOL promptly on demand for the amount it has paid for such insurance.

(d) The Bidder shall provide the GOL with certificates of insurance evidencing that the Bidder and each Material Subcontractor have obtained the insurance required by Clause 4.18 of the Mining Concession Agreement.

(e) The Bidder shall cause the insurers issuing the liability, casualty, property damage and other insurance policies in respect of the Project to issue endorsements naming the GOL as an additional insured to the extent of its insurance interests and provided that Lenders and EGAT have been identified as an additional insured.

Clause 4.11 (Resettlement Obligations): The Bidder shall assist the Employer in the implementation of all arrangements which may prove necessary or advisable to resettle any Persons who occupy or inhabit the Sites as of the date of the Mining Concession Agreement and to carry out all environmental mitigation procedures as contemplated in Annex Q to the Mining Concession Agreement.

Clause 5.10 (Explosive and Explosive Devices): If the Bidder imports and transport into Lao PDR and uses explosives and explosive devices as are reasonably necessary for the Works, the Bidder shall in each case act in conformity with applicable Lao PDR law and take all reasonable care in the handling and security in accordance with such applicable Lao PDR law.

Clause 5.25 (Designated Border Access Points): The Government agrees that Designated Border Access Points will be established for the delivery of Equipment and Materials to the Power Project as are being imported into the Lao PDR or exported from the Lao PDR and the entry and exit of personnel and that those Designated Border Access Points for the processing of Equipment and Materials and the entry and exit of personnel will be open at all times as specified in Annex U of the Power Concession Agreement. Upon reasonable advance notice from the Company and when reasonably required by the Bidders or its subcontractors (or any of their personnel), the Government shall consider in good faith and grant as feasible, the right to enter and exit the Designated Border Access Points at times other than the times specified in Annex U

Clause 7.1 (Progress Reports): The Bidder shall provide to the Employer as part of the progress report written progress reports and notices of major events in relation to Material Subcontractors.

Clause 7.3 (Confidentiality): The Employer shall be bound by the confidentiality provisions set forth in Clause 7.3 of the Power Concession Agreement, and to the extent such provisions conflict with the confidentiality provisions set forth in the Contract, Clause 7.3 of the Power Concession Agreement shall prevail.

Clause 8.2 (Import of Equipment and Materials): At least ninety (90) days prior to the first date on which the Bidder intends to import equipment and materials into the Lao PDR, the Bidder shall submit to the Employer on an annual basis on each anniversary date of this Agreement, a schedule of all equipment and materials to be imported during the next calendar year to enable the GOL to review and approve, within such ninety (90) day period, the various items to be imported for the Project by the Employer and its Bidders. Notwithstanding the foregoing, the Bidder may amend the schedule of such equipment and materials required (including the approximate periods such equipment and materials are expected to be in the Lao PDR) from time to time by notice to the GOL. Any such equipment and materials may be imported and re-exported free from Taxes including import duties and other levies; provided that such equipment and materials are for the exclusive purposes of the Project or the Power Project unless otherwise agreed to by the Government. In case of an emergency where equipment not listed and approved is needed by the Employer, the GOL has undertaken under the Power Concession Agreement to, upon request, expedite approval of the importation of such item. For each batch of imports, where necessary, the Bidder may post a bond to permit the import of such batch prior to the approval of, and provided that the Bidder has already submitted, all customary required documentation.

Clause 8.4 (Import Restrictions): The Bidder shall duly observe import restrictions and prohibitions and rules and procedures of general application.

Clause 9.3 (Tax Exemption Limitation): Following the fifth (5th) anniversary of the Commercial Operation Date, the Bidder and any Subcontractor providing services and/or goods that are directly related to the Project shall pay taxes as required by Lao PDR laws. All its subcontractors who provide services and goods to the Bidder that are indirectly related to the management or operation of the Project (such as food and beverage providers, Persons providing goods and/or services to employees of the Employer or any Bidder or its subcontractor, etc.) shall not be entitled to the same tax holidays and reduced tax rates as applicable to the Bidder that are providing goods and services which are directly related to the management and operation of the Project.

Clause 9.5 (Taxes of Employees): Employees of the Bidder and its subcontractors shall pay taxes upon their income earned in Lao PDR in accordance with Lao PDR law; provided that in relation to Foreign Personnel the aggregate rate of any taxes of the Lao PDR applied to such income shall be at the flat rate of ten percent (10%) of income earned from the Project in any Fiscal Year. Any Foreign Personnel who is an employee of the Bidder and its subcontractors that resides in Lao PDR for a period of less than a total of one hundred eighty (180) days in any tax year shall be exempt from personal income taxes with respect to that tax year.

Explosive Handling and Usage Procedures

(a) The importation and use of explosives require the following licenses from the Defense Industry Department, Ministry of Defense:

   (i) Explosives Warehouse License

   (ii) Explosives Importation and Utilization License

(b) Explosive Warehouse License. The application for this license shall contain the following details and attachments:

   (i) Technical plan, detailed design and specification of warehouse

   (ii) Recommendation or Confirmation Letter from Ministry of Energy and Mines on the utilization of explosive devices of the Project; and

   (iii) Corporate Documents of the Bidder.

   If the proposed technical plan, detailed design and specification of the warehouse do not meet the requirement of the Ministry of Defense, the designated warehouse owned and constructed by the Ministry of Defense shall be used.

   The warehouse must be ready for use before the explosives are imported.

(c) Explosive Importation and Utilization License. The application for this license shall contain the following details and attachments:

   (i) Type, quantity, and manufacturer of the explosives;

   (ii) Intended purpose of the explosives;

   (iii) Purpose of and plans for the use of the warehouse;

   (iv) Details of the explosives specialists who will handle the explosives (if any). If the Company does not have qualified specialist the Defense Industry Department is able to provide one to handle them.

   (v) An explanation for the necessity of the importation;

   (vi) Details of the border checkpoint through which the explosives will be imported;

   (vii) Corporate Documents of the Bidder.

(d) Importation and Transportation Protocol.

   (i) 7 days prior to any importation of explosives, the Bidder must notify the Defense Industry Department of the importation, in order for the Defense Industry Department assign staff to accompany the trucks carrying the explosives from the border checkpoint to the project site, and to monitor the use of the explosives.

(ii) The transportation of explosives from one location to another not stipulated in the notification letter to the Defense Industry Department must be approved by the Defense Industry Department.

(iii) The Bidder shall, apart from requiring the approval from the Defense Industry Department for each transportation of explosives, submit the advance notice specifying the schedule and plan for each transportation of its explosive devices to the Department of Public Road, Ministry of Public Works and Transportation in order to plan and control the transportation of such explosives in the appropriate manner and in the safe transportation route.

(iv) The Bidder must submit a monthly report to the Defense Industry Department on the use of the explosives imported in that month including the amounts of any remaining and unused explosives.

(e) Importation License from the Ministry of Industry and Commerce.

As explosive is categorized as one of the prohibited and controlled goods under Lao PDR Laws, the Bidder shall also apply for Importation License from the Ministry of Industry and Commerce.

The application for this license shall contain the following details and attachments:

(i) The application form for the importation of goods and other materials

(ii) Corporate Documents of the Bidder

(iii) Recommendation Letter certifying the material importation list of the Bidder

ENVIRONMENTAL AND SAFETY COMPLIANCE

A. Environmental and Safety Obligations of the Bidder

(a) The Bidder shall prepare the Bidder's Environmental Management Plan ("EMP") for the Employer's consideration and approval.

(b) The Construction Bidders' EMP for the Construction Phase is prepared in accordance with the Standards, the EMP, the EMS (ISO 14001), the CPEMMP, the Concession Agreements and Permits.

(c) The Bidders' EMPs Detailed Obligations.

In order to avoid, alleviate, mitigate or remedy or compensate or otherwise address the Project Impacts within the Construction Areas and in any other areas impacted by Company's activities or the Project, Employer shall ensure that each Construction Bidder comprehensively and properly covers in its EMP its detailed obligations with respect to each of the following activities (insofar as may be applicable to each particular contract) in accordance with applicable Standards:

a) meeting all effluent standards, all air quality requirements for discharges into the air, and all water quality requirements for discharges into surface waters and groundwater;

b) avoiding and controlling erosion and sedimentation;

c) managing on-site traffic to eliminate where possible, and otherwise to minimize, dust and vehicle exhaust;

d) meeting ambient noise, dust, air-blast and non-dust emission standards;

e) managing Bidder's Project-related off-site traffic and meeting all ambient and emission standards;

f) providing archaeological and heritage site protection and relocation as necessary;

g) landscaping, rehabilitating and re-vegetating the Construction Areas;

h) managing on-site waste and hazardous waste;

i) managing Project-related off-site waste in compliance with the Authorizations and Permits;

j) managing Project-related hazardous materials, oil / lubricants and chemical substances;

k) developing and managing emergency plans for environmental incidents;

l) surveying and detecting UXOs and, where UXOs are detected, rendering them safe by expert removal and destruction or by expert in-situ destruction;

m) managing the impoundment of reservoirs;

n) planning and managing a detailed biomass removal plan from the reservoir prior to inundation;

o) designing, constructing and managing construction work camps, including the planning and provision for spontaneous resettlement with proper and comprehensive sanitation and pollution control facilities;

p) implementing a program for construction worker education in environmental issues;

q) implementing a health and safety program for all persons engaged in construction works; and

r) implementing a health education and disease prevention program for construction camp followers.

(d) The Bidder shall submit the monthly reports in the form that the Employer shall instruct.

(e) Starting at commencement of the Works and continuing until the end of the Term, the Bidder shall prepare and submit monthly to WREA reports (in form to be agreed with WREA) covering the following items:

a) extent of implementation of the Environmental Measures compared against the planned and approved implementation program;

b) all difficulties and obstacles encountered in implementing the Environmental Measures, the causes thereof, proposals for avoiding, minimizing or remedying such difficulties and obstacles, and an indication of which proposals have been implemented and progress to date;

c) all violations of / failures to comply with Company obligations set forth in the Environmental Measures, including for each a description of what led to the violation / failure, what steps Company has taken to remedy such defect in performance, the date on which such violation / failure was first reported to WREA, and what steps Company has taken to address the underlying cause of such violation / failure to avoid any recurrence thereof;

d) unexpurgated copies of all sections of original reports from Construction Bidders and the Project Operator that deal with Environmental Measures or otherwise address environmental or social obligations of such persons;

e) any and all accidents or incidents that relate to the health, safety, and welfare of Company staff and employees, Bidders and sub-Bidders, PAPs, or any other visitors to the Project or affecting the environment; and

f) data obtained through monitoring of environmental parameters and social conditions as committed in the EIA / EMP.

g) Delay in the submission of a required report within five (5) days of the date due therefor will subject to the penalties unless the Bidder has provided: (i) prior written notice to WREA of any potential delay in completion of such report, (ii) an interim report containing all then available components of such report, (iii) an explanation as to why the full report cannot be timely submitted, and (iv) an indication of when the complete final report will be submitted. The Bidder shall use reasonable best efforts to complete and submit the final report as soon as possible and shall keep WREA advised as to any developments.

(f) The Bidder shall comply with all the limit value specified in these following Governing Parameters. The Bidder shall comply with all the limit value specified in these following Governing Parameters:

(A) Ambient Air Quality Limit Values

Parameter	Period	Annual Arithmetic Mean	24 hr average	1 hr average	10 min average	Reference Document
Particulate Matter less than 10 µm (PM_{10})	NTP	100 µg/m^3	500 µg/m^3	-	-	WB Environment, Health & Safety Guidelines Mining & Milling-Open Pit, August 1995
	From 1st day of year 2 to last day of year 3	80 µg/m^3	400 µg/m^3	-	-	As above

Parameter	Period	Annual Arithmetic Mean	24 hr average	1 hr average	10 min average	Reference Document
	from 1st day of year 4 to last day of year 5	70 µg/m³	350 µg/m³	-	-	As above
	from 1st day of year 6 to end of Concession Period	70 µg/m³	300 µg/m³	-	-	As above
Sulfur Dioxide (SO_2)*	From NTP and throughout Concession Period	0.1 mg/m³	0.3 mg/m³	0.78 mg/m³		Draft Lao National Environmental Quality Standards, 4 September 2009 attached as Schedule I-
Nitrogen Dioxides (NO_2)*	From NTP and throughout Concession Period	-	-	0.32 mg/m³	-	As above

The Ambient Air Quality Limit Values for Nitrogen oxides and Sulfur dioxide shall be adjusted from time to time to always be the same as the ambient air quality standards for Nitrogen oxides and Sulfur dioxide in the then prevailing and most recent Draft Lao National Ambient Air Quality Standard or officially issued Lao National Ambient Air Quality Standards. Company is not entitled to Change-in-Law protection for such adjustments of Ambient Air Quality Limit Values for Nitrogen oxides and Sulfur dioxide as long as the adjusted values are not more stringent than the guideline values listed in Table 1.1.1 in IFC EHS Guideline Air Emission and Ambient Air Quality, April 30, 2007, and if the adjusted values are more stringent than such guideline values, Company shall only be entitled to Change-in-Law protection with respect to the achievement of adjusted values in excess of such guidelines and not achievement up to such guidelines.

(B) Noise Level Standard

The noise limits shall be complied with at any sensitive receptor installed in the potentially noise impacted ambient environment surrounding the Project.

Company shall be responsible for any violations of permitted noise levels and in addition to any penalties that may be imposed in connection therewith. Subject to the applicable maximum cap on liability described in the "Additional Noise Mitigation Measures" provision below, Company shall implement Additional Noise Mitigation Measures (as defined below) to enable compliance with the permitted noise level established as provided herein.

Noise from Blasting shall comply with the following:

- The maximum level for airblast is 115 dBA;
- The level of 115 dBA may be exceeded on up to 5% of the total number of blasts over a period of 12 months; provided, however, the level should not exceed 120 dB(A) at any time;
- Blasting is only permitted during the hours of 0900 hrs to 1700 hrs Monday to Saturday and excluding all public holidays. Company shall obtain prior written permission from the appropriate local Governmental Authority on a case-by-case basis as needed to conduct blasting on any Sunday or public holiday.

Other short term single events:

- Daytime dBA L_{max} to be determined based on the noise investigations
- Nighttime dBA L_{max} to be determined based on the noise investigations

Day and nighttime one-hour equivalent continuous noise level limits:

- Daytime $L_{Aeq\ 1\ hour}$ noise limit to be determined based on the noise investigations
- Nighttime $L_{Aeq\ 1\ hour}$ noise limit to be determined based on the noise investigations

Noise from Company's activities and the Project together with the background level determined pursuant to clause (j) above shall not cause the ambient noise levels to exceed the identified best ambient noise limit plus a margin of 2 dB(A).

(C) Ambient Water Quality Standard

Parameter	Unit	Standard	Reference Document
pH		5-9	The Surface Water Quality Standard of Thailand (Class 2), 1994 issued by ONEP
Dissolved Oxygen	mg/l	6.0	as above
BOD_5	mg/l	1.5	as above
COD	mg/l	5.0	Draft Lao National Environmental Quality Standards, 4 September 2009
Nitrogen as nitrate ($N\text{-}NO_3$)	mg/l	5.0	The Surface Water Quality Standard of Thailand (Class 2), 1994 issued by ONEP

Parameter	Unit	Standard	Reference Document
Nitrogen as ammonia (N-NH_3)	mg/l	0.2	Draft Lao National Environmental Quality Standards, 4 September 2009
Sulfate	mg/l	500	Company shall have the right to dilute this effluent prior to discharge in order to comply with this limit subject to the limitations described in "Sulfate Effluent Dilution Parameters" below
Total coliform bacteria	MPN/ml	5,000	The Surface Water Quality Standard of Thailand (Class 2), 1994 issued by ONEP issued by ONEP
Total faecal coliform	MPN/ml	1,000	As above
Phenols	mg/l	0.005	As above
Arsenic (As)	mg/l	0.01	As above
Cadmium (Cd)	mg/l	0.005	as above, $CaCO_3 \leq 100$ mg/l
Cadmium (Cd)	mg/l	0.05	as above, $CaCO_3 \geq 100$ mg/l
Chromium (VI) (Cr^{6+})	mg/l	0.05	The Surface Water Quality Standard of Thailand (Class 2), 1994 issued by ONEP issued by ONEP
Copper (Cu)	mg/l	0.1	As above
Cyanide	mg/l	0.005	As above
Lead (Pb)	mg/l	0.05	As above
Mercury (Hg)	mg/l	0.002	As above.

Parameter	Unit	Standard	Reference Document
Nickel (Ni)	mg/l	0.1	As above.
Zinc (Zn)	mg/l	1.0	As above.
Manganese (Mn)	mg/l	1.0	As above

Sulfate Effluent Dilution Parameters

1. All water used for purposes of dilution of sulfate effluent from the Project must be obtained from sources that would otherwise have flowed into the same recipient body of water in which the Project's sulfate effluent will end up (i.e., the Nam Kaen Reservoir).
2. From whatever diversion point or points of the water used for dilution of sulfate effluent, Company must be responsible for redressing and mitigating any social and environmental impacts of the diversion (consistent with obligations and procedures that are imposed in respect of persons diverting or extracting water from public rivers and waterways).
3. Dilution will be allowed only for sulfate effluent and not for any other emission or discharge of any other substance from the Project.

(D) Effluent Standards for Mining

Parameter	Unit	Effluent Limit Value	Reference Documents
Total Suspended Solids (TSS)	mg/l	50	IFC EHS Guidelines, Mining, December 10, 2007
pH	-	6-9	as above
Oil and grease	mg/l	10	as above
BOD_5	mg/l	50	as above
COD	mg/l	150	as above
Cadmium (Cd)	mg/l	0.05	as above
Copper (Cu)	mg/l	0.3	as above
Total Iron (Fe)	mg/l	2.0	IFC EHS Guidelines, Mining, December 10, 2007
Cyanide (total)	mg/l	1.0	as above

Parameter	Unit	Effluent Limit Value	Reference Documents
Cyanide Free	mg/l	0.1	as above
Cyanide WAD	mg/l	0.5	as above
Nickel (Ni)	mg/l	0.5	as above
Phenols	mg/l	0.5	as above
Zinc (Zn)	mg/l	0.5	as above
Temperature	°C	< 3-degree differential	as above
Mercury (Hg)*	mg/l	0.002	EHS Guidelines Mining & Milling- Open Pit, August 1995
Arsenic (As)*	mg/l	1.0	EHS Guidelines Mining & Milling- Open Pit, August 1995
Chromium (VI) (Cr^{6+})*	mg/l	0.05	as above
Total Lead (Pb)*	mg/l	0.6	as above

* WREA and Company have agreed that with respect to these four elements (Arsenic (As), Chromium (VI) (Cr^{6+}), Lead (Pb) and Mercury (Hg)) Company shall from the outset of its mining activities be obliged to comply with the levels allowed by World Bank 1995 Mining Standards, provided that one or more interim, lower targets or steps with respect to the permissible levels of such elements in future periods shall be agreed by WREA and Company as part of the submission and review process for Company's first revised CPEMMP, and provided further that Company shall use best efforts to achieve full compliance with the 2007 Standards for these four elements within a reasonable period of time from the commencement of mining activities, as contemplated by such agreed interim, lower targets or steps.

B. Certain environmental obligations of the Bidder

(a) Dust Suppression and Prevention

(A) Moisture content increase at working faces and dust suppression work.

The Bidder shall increase moisture content to suppress dust at all working faces by water spraying before excavation. Dust will have to be controlled not to exceed opacity threshold limit specified by the Employer. Activities other than this will have to be approved by the Employer.

The Bidder shall propose the more efficient method for moisture content increasing, together with the detailed work and detailed calculation formula for water truck to the Employer for approval prior to the commencement of the operation.

(B) Guidelines to increase moisture content

(i) At the blasted area. After the blast, the Bidder shall plan to increase moisture content by spraying water approximately 2-3% by volume and it shall be done 1 day before excavation.

(ii) At the unblasted area. The Bidder shall provide water trucks at all working faces and shall spray water to suppress airborne dust and increase moisture content at all times.

The above guidelines are only the initial information. During actual operation, the Bidder may make an adjustment to suit the existing condition. The dust suppression result has to reach the target and no effect of damp waste and coal sticks to the conveyor.

(C) The Bidder shall own enough vehicles for dust suppression and moistening purpose at all times as specified in the table EN6 of Schedule 13; provided that the number of machines available for utilization shall not be less than the list of machines instructed by the Employer.

(D) For the purpose of dust suppression, the Bidder shall procure one (1) water truck with a capacity of 12,000 liters per twenty 10-wheel trucks (the truck must be equipped with pump, spray bar) and/or one (1) water truck with a capacity of 50,000 liters per ten (10) 100t off-highway truck class (the truck must be equipped with pump, spray bar). If the Bidder uses the water trucks for other purposes and without Employer's consent, he shall be fined at the rate of one thousand (1,000) Baht per hour but no more than ten thousand (10,000) Baht per day.

(E) For the purpose of dust suppression system of the Bucket wheel Excavator, Belt Conveyor system and Spreader, the Bidder shall submit the details of such that system for the Employer to provide comments three (3) months before the commencement of the works. In case such that the suppression system provided by the Bidder fails to mitigate the dust emission to the level require by the Law and Regulation and as specified in this Agreement, the Bidder shall immediately improve such equipment at the Bidder's own expense.

(F) If the Bidder fails to comply with these terms and conditions, or the machines as indicated in the table EN. 6 of Schedule 13 are not in working condition or the Employer foresees that the Bidder has not completed the work efficiently, the Employer may notify the Bidder to cease the operation until improvement can be made. And when the Employer has already notified the Bidder to make improvement within the specified timeframe and no action has been taken, the Employer will have the right to conduct his own dust prevention and suppression work. Operating charge will be three thousand (3,000) Baht per hour excluding VAT and other related expenses. The Employer will have the right to deduct the charge from the payment installment.

(b) Noise Control

(A) The Bidder, at all times, shall control machines and equipment not to generate nuisance noise that may affect the communities throughout the contract period. Noise measurement shall comply with the limit value specified in the concession agreement entered into between the Employer and the government of Lao PDR.

(B) Noise measurement at the communities will be recorded and compared to the base line. Therefore, every six (6) months in a year, the Bidder shall temporarily cease the operation for about two to three (2-3) hours for noise measurement and shall not indemnify the Employer from any loss or damage.

(C) If noise level exceeds the allowed limit value specified under the concession agreement resulting in an effect on the neighboring communities, the Employer shall be entitled to suspend all or part of the operation to control the noise limit. The Bidder shall not be entitled to indemnify the Employer from any loss or damage.

4. The Bidder shall propose his Quality, Occupational Health and Safety, and Environmental Management System by preparing and submitting the manual, policy, operational plan and/or the documentation specifying all the operational procedures and/or any relevant documentation for the Employer's consideration. These documents shall be incorporated within the Technical Part Document. The System the Bidder proposed shall be at the same standard with the international standards of ISO 9001, OHSAS 18001 or ISO14001.

5. The Bidder shall appoint the Safety and Environmental Officer to coordinate with the Field Manager of the Employer (as prescribed in the Lao PDR laws "Labor Safety Regulation on Mine Sector No. 647/IH, Article 3 and 4"). The Safety and Environmental Officer shall monitor all the compliance of the Bidder's work with the conditions instructed by the Employer. At least 1 Safety and Environmental Officer must have graduated with bachelor's degree in the field of safety and environmental. The Bidder shall submit the name lists of the Officer for the Employer's consideration at least one month prior to starting any operational procedures at least 1 month.

6. The Bidder shall prepare the Protection and Mitigation Plan for the Emergency circumstances every time it occurs within the Work Field. The Bidder shall also provide a complete set of the equipment to protect and mitigate any emergency circumstances as well as any warning sign and alarms ranging from the level of risk and in compliance with all international standards within the Work Field and the residential camp of the Bidder.

7. The Bidder shall prepare the Quality, Occupational Health and Safety, and Environmental Plan for the Employer's consideration and approval every fiscal year. The Bidder shall supervise the operation of his Employees to comply with the approved Plan. The Bidder has the authority to propose any adaptation or change of the approved plan under the conditions specified in this Agreement.

8. The Bidder shall prepare the annual training schedule concerning Quality, Occupational Health and Safety, and Environmental Management for his Employees which shall include all the management systems as prescribed in the laws ranging from the level of the risk. The Bidder shall also submit the training schedule for the Employer's consideration before the end of each fiscal year provided that the proposed schedule shall be pre-approved by the Employer.

9. All new Employees of the Bidder shall attend the first orientation concerning the Occupational Safety, regulations and conditions instructed as well as other agreements between the Employer and the Bidder concerning the working operation such as the speed control or the wearing of personal safety equipment.

10. The Bidder shall provide the standardized Personal Protective Equipment (PPE) for all Employees depending on the work section and the level of risk of that Employee. At a minimum standard, all Employees shall be provided with safety helmets and safety shoes and the Employees shall wear them at all operational times and/or within the hazardous areas.

11. The Bidder shall control the waste water quality released from his residential camp to comply with the standard of the Lao PDR and the conditions in the Environmental Impact Assessment (EIA). The Bidder shall submit the Layout of the Employer's residential camp at least 1 month before constructing any structures, especially the construction of the fuel oil or lubricant oil bank, machine maintenance area, waste water and rain drainage system, the position of fire distinguishing equipment installation and the evacuation of Employees.

12. The Bidder shall submit a report to the Employer on the period and with the topic as specified by the Employer in this Agreement.

13. If the Bidder fails to comply with the conditions of Quality, Occupational Health and Safety, and Environmental Management Systems, it shall be deemed that the Bidder is in breach of Agreement and the Employer shall be entitled to a penalty on the daily basis of 10,000 baht accruing after the fixed period the Employer specified in the notice has elapsed until the complete reparation done by the Bidder. If the Bidder is still in violation of these conditions following the fixed period, the Employer shall double the penalty rate and may directly deduct the penalty amount from the Agreement Price the Employer shall pay to the Bidder.

14. After the Employer has notified the Bidder of the unsafe circumstances, if the Bidder fails to conduct that reparation within the fixed period of time, the Employer shall give written notice that he may repair it himself or hire another Bidder to fix those circumstances at the Bidder's cost. The Employer may deduct such cost from the Agreement Price.

C. Penalties for Failure to Comply with Environmental and Social Standards

The Bidder shall be subject to the penalties specified hereunder subject to its compliance with the Environmental and Social Standards under this Schedule to the extent that the Bidder is responsible for such non-compliance.

Non-Compliance	Amounts in US$ Minimum and Maximum[1]	Aggravating Factors Considered	Further Sanctions which WREA may Impose
Failure or delay in timely submission of reports other than as required in this Agreement or the Mining Concession Agreement	• 250 to 750 Plus 12.5 to 50 per day until cured	Deliberate Financially motivated or for financial gain History of non-compliance • Nature of report / a failure in respect of	• Issue Enforcement Notice

[1] All penalty amounts shall be increased every five (5) years by ten percent (10%) of the then current amounts.

Non-Compliance	Amounts in US$ Minimum and Maximum1	Aggravating Factors Considered	Further Sanctions which WREA may Impose
		incident report submission	
Obstruction or interference with an official in the course of his or her duties in connection with the enforcement of this Schedule	• 500 to 25,000	Deliberate Financially motivated or for financial gain History of non-compliance Attempt to conceal • Potential to cause serious damage to environment, human health, livelihoods	Issue Enforcement Notice
Providing false or materially misleading written information to WREA or any representative in connection with the topics addressed in this Schedule	• 5,000 to 25,000	Deliberate • Financially motivated or for financial gain History of non-compliance • Potential to cause serious damage to environment or human health	Suspension or revocation of Permit in whole or in part • Suspension or revocation of Permit in whole or in part
Failure to provide information to inspector when requested in regard to inspection and monitoring as provided in this Schedule	• 500 to 25,000	Deliberate Financially motivated or for financial gain History of non-compliance • Potential to cause serious damage to environment or human health	• Issue Enforcement Notice
Operating without a Permit	• 2,500 to 25,000	Deliberate Financially motivated or for financial gain	Breach of contract

Non-Compliance	Amounts in US$ Minimum and Maximum1	Aggravating Factors Considered	Further Sanctions which WREA may Impose
	• Plus 250 to 2,500 per day until cured	History of non-compliance • Potential to cause serious damage to environment or human health	
Non-compliance with an Enforcement Notice or Suspension Notice pursuant to a violation of this Schedule	• 10,000 to 25,000 • Plus 250-5,000 per day until cured	Deliberate, reckless Financially motivated or for financial gain History of non-compliance • Potential to cause serious damage to environment or human health	Suspension or revocation of Permit in whole or in part • Breach of contract
Failure to notify WREA (or other relevant GOL department as appropriate) of any knowledge of any event of an imminent threat of environmental damage	• 5,000 to 25,000	Deliberate, reckless Financially motivated or for financial gain History of non-compliance • Potential to cause serious damage to environment or human health	Issue Enforcement Notice • Suspension or revocation of Permit in whole or in part
Failure to take reasonable steps to prevent an imminent threat of damage to the environment, human health, livelihoods, or property, where applicable based on the CPEMMP	• 10,000 to 50,000	Deliberate, reckless Financially motivated or for financial gain History of non-compliance • Potential to cause serious damage to environment or human health	Issue Enforcement Notice • Suspension or revocation of Permit in whole or in part
Failure to comply with any Governing Parameters	• 2,500 to 50,000	Deliberate, reckless	Issue Enforcement Notice

Non-Compliance	Amounts in US$ Minimum and Maximum1	Aggravating Factors Considered	Further Sanctions which WREA may Impose
(per single violation / instance)		Financially motivated or for financial gain History of non-compliance • Potential to cause serious damage to environment or human health	Suspension or revocation of Permit • Breach of contract

Without prejudice to the above requirements, the Bidder shall also strictly comply with Environmental and Safety Laws and Regulations including the following work instructions and/or procedures in which may be amended, modified and/or supplemented by the Employer from time to time;

1. HPC-ESD-WP-001 V.01 Chance find procedure;
2. HPC-ESD-WP-002 V.04 Waste Management Procedure;
3. HPC-ESD-WP-006 V.00 Noise and Vibration Control;
4. HPC-ESD-WP-009 V.02 Non-Hazardous Waste Disposal in the HPC mine area;
5. HPC-ESD-WP-016 V.01 Hazardous Materials Handling Procedure;
6. HPC-ESD-WP-017 V.05 Chemical Substances Registration and Importation;
7. HPC-ESD-WP-020 V.01 Site Decommissioning Site Clearing and Rehabilitation Procedure;
8. HPC-ESD-WP-022 V.01 Safety, Health and Environmental Inspection;
9. HPC-ESD-WP-024 V.02 Site Permit Requisition Procedure;
10. HPC-ESD-WP-026 V.02 Environmental Aspect Identification Procedure;
11. HPC-ESD-WP-032 V.02 Fall Protection Procedure;
12. HPC-MIO-WP-004 V.00 Blast Hole Drilling for Mining Operation Procedure;
13. HPC-MIO-WP-005 V.00 Explosive and Blasting for Mining Operation Procedure;
14. HPC-MSE-WI-009 V.01 Bidder Safety, Health and Environment Management;
15. HPC-OHM-WP-009 V.00 Drug Screening and Testing;
16. HPC-SHE-POL-001 V.13 Safety, Health, Environment and Social Policy;
17. HPC-SHE-POL-002 V.01 Drugs and Alcohol Policy;
18. HPC-SHE-SD-002 V.01 SHE Manual;
19. HPC-SHE-SD-015 V.06 Safety, Health and Environmental Management System Manual;
20. HPC-SHE-SD-018 V.00 Environment and Occupational Health Standards 2018;

21. HPC-SHE-WP-001 V.04 Non-Conformity and Corrective Action Management Procedure;
22. HPC-SHE-WP-004 V.04 Emergency Preparedness and Response Procedure;
23. HPC-SRS-WI-005 V.02 Mining Traffic Management;
24. HPC-SRS-WP-001 V.01 Fire Prevention and Protection
25. HPC-SRS-WP-002 V.00 Permit to Work Procedure;
26. HPC-SRS-WP-003 V.01 Crane and Lifting Equipment Operation;
27. HPC-SRS-WP-006 V.01 Occupational Health and Safety Risk Assessment;
28. HPC-SRS-WP-007 V.03 Scaffolding Safety Procedure;

Local Recruitment Requirement

1. General Obligations of the Bidder in relation to Lao labor

1.1 The Bidder shall comply with the Lao preference obligations specified under Concession Agreements and the detailed preference requirement for each staff classification as further described in the table below as attached in Annex N of the Concession Agreements:

Level	Staff Classification	Preference Exemption %				
		2 Mar 2016 to 1 Mar 2021	2 Mar 2021 to 1 Mar 2026	2 Mar 2026 to 1 Mar 2031	2 Mar 2031 to 1 Mar 2036	2 Mar 2036 to 1 Mar 2041
1	Plant Manager	100	100	100	100	100
2	Senior Management Officers reporting to MD, e.g. • Operation Manager • Maintenance Manager • Administration Manager • Safety Health and Environment manager	100	100	100	50	25

Level	Staff Classification	Preference Exemption %				
		2 Mar 2016 to 1 Mar 2021	2 Mar 2021 to 1 Mar 2026	2 Mar 2026 to 1 Mar 2031	2 Mar 2031 to 1 Mar 2036	2 Mar 2036 to 1 Mar 2041
3	Middle Management Officers reporting to above, e.g. • Shift Operation • Assistant Operation • Control room engineer • Planning manager • Engineering manager • Maintenance manager • Senior Engineers • Accountant • Human Resources Manager • Procurement manager	100	75	50	40	20
4	Junior Management, e.g. • Unit operator • Assistant Unit operator • Water treatment manager • FGD operator • Section managers • General accounting staff • Senior clerical staff	80	50	40	25	0
5	Supervisor Level, e.g. • Outside plant operator • Coal and ash operator • Foreman • Laboratory technician	50	25	10	0	0

Level	Staff Classification	Preference Exemption %				
		2 Mar 2016 to 1 Mar 2021	2 Mar 2021 to 1 Mar 2026	2 Mar 2026 to 1 Mar 2031	2 Mar 2031 to 1 Mar 2036	2 Mar 2036 to 1 Mar 2041
6	Skilled labour, e.g. • Welder • Senior Secretary • Fitter and turner • Electrician • Mechanic	25	10	0	0	0
7	Semi-skilled labour, e.g. • Assistant to levels 5 and 6 • Heavy truck driver • Secretary • Clerk	0	0	0	0	0
8	Unskilled labour	0	0	0	0	0

The Bidder must engage Lao Persons for unskilled labor positions.

1.2 The Bidder must not engage Foreign Persons to fill unskilled labor positions, unless it has first complied with the Recruitment Procedure for the Bidder.

1.3 The Bidder is required to provide on the job training programs for Lao Persons in order to upgrade the skill and knowledge of Lao Persons and to enable them to handle their job assignment efficiently.

2. Recruitment Procedure for the Construction Bidder

2.1 The GOL agrees to nominate one of its departments or agencies to act as a recruitment agency to source Lao Persons for positions needed for the Project ("Nominated GOL Agency").

2.2 The Construction must provide to the Nominated GOL Agency, a Lao Mobilization Plan for which it will be employing labor during the Term to allow the Nominated GOL Agency the maximum opportunity to source Lao Persons for each position as soon as available after the signing of the relevant contract.

2.3 The Lao Mobilization Plan for the Bidder must contain details of skilled and unskilled positions it expects to fill over the period specified for the plan, including for each skilled position, or class of skilled position:

(a) a detailed description of the position;

(b) skills and experience necessary to perform the work concerned (as applicable);

(c) details of any training or qualification necessary to perform the position concerned (as applicable);

(d) the number of new positions available, or likely to be available;

(e) the number of positions previously held by Foreign Persons under contract which are becoming available during the period of the plan; and

(f) details of remuneration and allowances (where applicable) payable to the successful applicant(s).

2.4 As soon as possible after submission of Lao Mobilization Plans, the Nominated GOL Agency shall review those plans and agree targets with the Bidder for the positions which have been notified to it.

2.5 The Bidder must do all reasonable things to achieve and where possible, to exceed the agreed targets.

2.6 The Nominated GOL Agency shall be allowed a reasonable period from the receipt of notice from the Bidder, but in no case more than two weeks in which to propose Lao Persons for each position.

2.7 When determining whether a person proposed by the Nominated GOL Agency is a suitably qualified Lao person for a position or not, the Bidder must:

(a) review all the factors including abilities, formal qualifications, prior learning, relevant experience, the capacity to acquire promptly the ability to do the work concerned; and

(b) determine whether that person has the ability to do the work concerned in terms of any one of those factors (if sufficient), or a combination of those factors; and

(c) not discriminate against a person solely on the grounds of that person's lack of experience (if experience is not reasonably necessary for the relevant position).

2.8 If the Nominated GOL Agency is unable, or reasonably believes that it will be unable, to source a Lao Person for a position within two (2) weeks of a request from the Bidder, it will notify the Bidder that it is permitted to consider other sources for skilled and unskilled labor. The absence of such notification or the failure of the Nominated GOL Agency to offer a suitably qualified Lao person for a position within such two (2) week period shall be considered as permission given by the Nominated GOL Agency to the Bidder to consider other sources for the position so notified to the Nominated GOL Agency.

2.9 The Construction Bidder must not accept offers from other Bidders of labor for positions until it has complied with its obligations under this recruitment procedure.

2.10 If the Bidder does accept an offer from a Bidder of Labor in breach of these recruitment procedures, the GOL may refuse access for that labor into the Lao PDR.

3. Lao Preference Requirements relating to Project Supplies

When sourcing project supplies, the Bidder must source Lao Supplies where the Lao Supplies can be provided on a basis which is and remains competitive with other potential providers or supplies of project supplies, having regard to the commercial terms on which those Lao Supplies and other project supplies can be supplied, including whether:

(a) the Lao Supplies are equal to comparable project supplies in price, quality, performance, efficiency and reliability and are compatible with other equipment and supplies for the project;

(b) the Bidder can demonstrate capacity to deliver the requested quantity of Lao Supplies on a timely basis;

(c) the Bidder can offer comparable after sales service;

(d) the financial capacity of and credit terms offered by the Lao Bidder are equal or better; and

the Lao Supplies satisfy the required specification.

Tax Privileges and Tax Liabilities for the Bidder

No.	Lao Taxes	Privileges Granted
1.	Corporate Income Tax	The Bidder shall be responsible for paying any applicable Corporate Income Tax as is required under the laws of Lao PDR.
2.	Personnel Income Tax	The Bidder shall be responsible for paying any applicable Personnel Income Tax as is required under the laws of Lao PDR.
3.	Value Added Tax	The following items will attract a 0% VAT rate for all non-Lao domiciled Bidders and its subcontractors: (a) all goods, equipment, machinery, materials and services provided to the Employer relating to the construction and operation of the Project (including all imported fuel, diesel oil, chemicals, lubricants, and other consumables (but excluding for the avoidance of doubt consumer goods and foods) used by the Project), provided that such fuel, diesel oil and petroleum based products shall only be entitled to the 0% VAT rate during the Construction Period; and (b) all spare parts, chemicals, lubricants and other similar consumables imported into the Lao PDR by Bidders or its subcontractors in the name of the Employer for use in connection with the Project. Please note that the 0% VAT rate does not apply to goods and services from Lao PDR Bidders.
4.	Import Duties and Taxes <u>Goods, Equipment, Machinery, Materials and Services</u> <u>Fuel</u>	 All goods, equipment, machinery, materials and services imported by or provided to the Employer relating to the construction and operation of the Project (including all chemicals, lubricants, explosive and other consumables (but excluding for the avoidance of doubt consumer goods and foods) used by the Project) shall be fully exempted from import duties and taxes. All fuel, diesel oil, and petroleum-based products during the Construction Period are exempted from all import

No.	Lao Taxes	Privileges Granted
		taxes and duties and all other government duties and taxes payable under Lao PDR Law. During the Operation Period, there is no exemption from import taxes and duties and Bidders and its subcontractors must pay all customary taxes on imported fuel, diesel oil, and petroleum-based products.
	Spare Parts	All spare parts, chemicals, lubricants and other similar consumables imported into the Lao PDR by the Employer or any of its Bidders or its subcontractors in the Employer's name for use in connection with the Project shall be exempted from import duties and taxes and all other government duties and taxes payable under Lao PDR Law.
	Trucks and Construction Vehicles	All trucks and construction vehicles (including construction equipment, cranes, heavy lifting equipment, pick-up trucks, and dump trucks) purchased or leased by or on behalf of the Employer, and registered in the name of, and bearing a license plate or tag issued to HPC or PFMC are exempted from applicable import duties.
	Passenger Vehicles	All sedans and passenger vehicles purchased or leased by Bidders or its subcontractors, and registered in the name of, and bearing a license plate or tag issue to, the Employer, and used in connection with the Project will be subject to an import tax of one percent (1%). Any truck or vehicle that is not registered to the Employer or which does not bear the appropriate license plates or tags will be fully subject to applicable import taxes and no exemption will apply. Note: There will be no tax exemption on fuel of office vehicles (passenger sedans and other vehicles not used at the construction site for construction activities) during construction and operation period.

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SCHEDULE III - GENERAL CONDITIONS OF CONTRACT

GENERAL CONDITIONS OF CONTRACT FOR HIRING OF WORK

Clause 1: Definitions

"**Certificate of Inspection**" means the completion document issued by HPC after the inspection of the progress of the Work performed by the Contractor.

"**Commencement Date**" means the scheduled date on which the Contractor commences performing the Work as stated in 'Commencement Date' field in the PO or the date that HPC has stated in the official notice to the Contractor.

"**Contract**" means the contract of the Parties relating to the Work consisting of this present General Conditions of Contract for Hiring of Work, PO, Quotation, TOR (if any), amendment (if any), and all attachments incorporated by reference, which shall form an integral part of the Contract. *In the event of any discrepancy*, the documents shall prevail in the following order: (i) the PO; (ii) the General Condition of Contract for Work and its Appendix, if any; (iii) Attachment 1 (Conditions of the Performance Security); (iv) other attachments to this Contract agreed by the Parties; (v) the TOR; and (vi) the Quotation.

The Contractor must immediately notify HPC of any error or discrepancy in this Contract when it comes to the Contractor's attention, and shall obtain HPC's clarification before commencing any related part of the Work. The performance of any Work before the clarification shall be at the Contractor's risk and cost.

"**Contractor**" means the person or entity named in the 'Vendor' field of the PO;

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

"**HPC**" means Hongsa Power Company Limited.

"**Parties**" means HPC and the Contractor.

"**Party**" means HPC or the Contractor, as applicable.

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

"**PO**" means Purchase Order, an official document issued by HPC when placing an order with the Contractor to confirm a specific hiring of Work.

"**Quotation**" means formal statement of promise submitted by the Contractor to HPC to perform the Work including related incidental services (if any) describing the details, materials and others as attached herewith.

"**Scheduled Completion Date**" means the scheduled date of which the Contractor warrants to HPC that the Work will be complete as stated in the 'Scheduled Completion Date' field in the PO or agreed otherwise in writing by the Parties.

"**Site**" means the site for Hongsa Power Project, Hongsa District, Xayaboury Province, Lao PDR or another place as stated in the PO. The Contractor is deemed to have inspected the Site, its surroundings and access to the Site and to have been satisfied that the Site is suitable for the Work.

"**Taking-Over Certificate**" means the certificate issued by HPC to the Contractor upon the completion of the Work.

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

"**Work**" means the work or service to be provided by the Contractor pursuant to the Contract as well as any incidental works or services.

Clause 2: Scope of These Conditions

This General Conditions of Contract for Hiring of Work shall be only applied to all Work for which HPC agrees to hire the Contractor. Therefore, the Contractor has obligations to perform and complete the Work having the details and requirements as agreed with HPC at the Site, on or before the Scheduled Completion Date. The Contractor shall be responsible for ensuring compliance with all applicable laws and regulations as well as safety and environmental requirements and standards reasonably instructed by HPC.

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

Clause 3: Labor

a) Unless agreed otherwise in writing by HPC, the Contractor shall be responsible for supplying and providing sufficient number of labor for the Work, which can be either its own employees or subcontractor. The Contractor shall ensure that its labor is suitably skilled, qualified and experienced for the Work.

b) The Contractor shall be solely and exclusively liable and responsible for any and all liabilities and obligations in relation to such labor and all Work-related accidents. The Contractor shall promptly advise HPC of any accidents as well as any actual or threatened labor dispute that might affect the performance of the Work.

c) The Contractor shall solely be responsible for labor compliance with any applicable laws and regulation at its own costs and expenses.
The Contractor shall be responsible for ensuring compliance with any laws and regulations in relation to health, safety and environment, and any other standards which HPC obtains, such as ISO, including HPC's rules, regulations, and instructions related thereto. The Contractor shall ensure that working conditions and the working environment at the Site are safe, hygienic, and comply with all such rules and regulations.

d) At the request of HPC, the Contractor will promptly replace any members of its staff or any other of its representatives who are unacceptable to HPC and replace them with someone competent and satisfactory to HPC.

e) In event that the Parties agree to appoint the key personnel according to the conditions and requirements stated in the TOR to perform the Work hereunder, such person shall not be changed or replaced until the Contractor receives a written consent from HPC.

f) Upon HPC's request, the Contractor shall promptly provide HPC any document or information related to its labor such as work experience, organization chart, personal information, etc.

Clause 4: Materials, Equipment, Tools, and Utilities

a) Unless agreed otherwise by HPC, the Contractor shall be solely responsible for providing all materials, equipment, tools, and utilities to perform and complete the Work itself.

b) The Contractor shall ensure that all materials supplied or used by it are of good quality, free of defects, free and clear of any liens and encumbrances, are suitable for the purposes for which they are intended, and conform to any agreed, good, and suitable standards and specifications as well as applicable law.

c) Ownership of and any intellectual property right in any plans and specifications of the Work and any other materials in relation thereto shall belong to and remain with HPC. The Contractor will keep them confidential, safe and secure, and will only use them for the purposes of the Work. The Contractor must return any and all copies to HPC upon HPC's request or upon the completion of the Work, and must not retain any further copies without the prior written consent from HPC.

d) The Contractor shall, at its own cost and expense, immediately remove from the Site any materials, plant, equipment, rubbish, garbage or other things that do not comply with the requirements of the Contract upon request of HPC or upon the completion of the Work.

e) Each of the materials shall become HPC's property when it is delivered to the Site.

f) Intellectual Property Rights mean copyrights, patents, utility models, trademarks, trade names, topography rights, design rights and rights in databases or applications whether or not registerable in any country and all rights and forms of protection of a similar nature or having equivalent or similar effect anywhere in the world. The Contractor hereby assigns to HPC all Intellectual Property Rights in the Work and all parts or materials incorporated into the Work performed by the Contractor, or grants or procures that the relevant third parties grant the Contractor, a non-exclusive, royalty-free, perpetual, and worldwide license to use and develop the Work. The Contractor agrees to execute all documents and do all other things required: (a) to assign such rights to HPC; or (b) to assist HPC in applying for and being granted such rights.

Clause 5: Work

a) The Contractor shall allow HPC to inspect the Work and test any materials or workmanship during the progress of the Work at all reasonable times, and shall grant HPC or its representative the access to the Contractor's premises for such purposes or to other premises where the items of materials may be located. Upon HPC's request, the Contractor must provide to HPC evidence and documentation for the quality or effectiveness of the Work for inspection.

b) The Contractor cannot have part or all of the Work carried out by its subcontractor, unless it receives a prior written consent from HPC. However, in case that HPC allows the Contractor to do so, the Contractor shall remain liable for any act or fault of the subcontractor.

c) The Contractor shall be deemed to have already been informed as to the correctness and sufficiency of the necessary information and factors in connection with performing the Work including, but not limited to, the applicable standards of performance to which the Contractor must adhere, the timeframe for successfully completing the Work and at the cost specified in the Contract. The Contractor represents that it has familiarized itself with all conditions under which the Work must be performed. The Contractor shall keep HPC informed of all material matters relating to the Work and shall promptly notify HPC of any matter that may change the scope, cost and/or timing of the Work.

d) In case that the Contractor considers that the information, documents and/or other particulars made available to it by HPC are not sufficient to enable the Contractor to perform the Work in the manner and to the standard required, it shall promptly advise HPC of the nature of the deficiency. HPC will provide such further information, documents and/or other particulars as are reasonably necessary in the circumstances. When the Work is complete and/or HPC requests for such information or documents, the Contractor shall promptly return to HPC all information received, including any memos and notes and softcopies thereof.

e) The Contractor must perform its obligations under the Contract in a good and workmanlike manner with reasonable skills, care, and diligence including observing good industry practices.

f) The Contractor must comply with HPC's instructions and all applicable laws, regulations, and guidelines of the government authorities. The Contractor must obtain and comply with all relevant permits, licenses, authorization and approvals necessary to perform the Work.

Clause 6: Test of Materials and Work

a) Test of Materials
Unless agreed otherwise in writing by HPC, the test and its condition shall be in accordance with the details and conditions as stated in the TOR.

b) Test of Work
Unless agreed otherwise in writing by HPC, no part of the Work shall be covered up on the Site without carrying out of any test or inspection of such part which is required under the Contract. If such covering up occurs without HPC's approval, the Contractor shall uncover that part and carry out the required test or inspection if HPC requires. The test and its condition shall be in accordance with the details and conditions as stated in the TOR.

c) For such two types of test
Where there is no any particular certificate or document stated in the TOR, the Contractor is obligated, at no additional charges, to provide the standard certificate or document to confirm the specifications, quality and or test result of the materials and Work.
Any person nominated by HPC to join any test shall only be a witness, not an inspector. Such person shall have no responsibility to assist or support the Contractor for the tests. The Contractor acknowledges that despite the nomination of HPC's personnel or a third party as a witness of the test, the Contractor shall not be released from its obligations under the Contract such as defect, transfer of the ownership, any delay, liquidated damages, warranty obligation, etc.
Any inspection or testing carried out under this clause shall not release the Contractor from any obligations under the Contract.

Clause 7: Acceptance of the Work

a) Part of Work
This condition shall be applied only in case that the Parties agree to check and inspect the part of the Work piece by piece, or upon the delivery of the materials to the Site.
The Contractor shall report in writing to HPC the progress of the Work, or the delivery of the materials in the form of progress report, or delivery report, the frequency and contents of which will be set out by HPC, before the inspection time. HPC will nominate its personnel to check, evaluate, and approve such part of Work or the delivered materials.
If HPC's nominated person does not find defect or damage in any part of the Work, or the delivered material conforms to the specifications set out in the Contract, then, HPC shall provide a Certificate of Inspection to the Contractor as evidence regarding the relevant part. However, in case that any defect or damage is found, or the delivered material does not conform to the specifications as agreed under the Contract, the Certificate of Inspection shall be provided after such damage or defect is remedied to the satisfaction of HPC or the delivered materials conform to the specifications.

b) Whole Work
In case of the final part of the Work is complete, or the Work is

checked and inspected upon completion, this condition shall be applied. The whole Work shall be taken over by HPC conditional upon the issuance of the Taking-Over Certificate. Such certificate shall be issued conditional upon: that the whole Work is complete and passed all tests as required under the Contract, and that the Contractor accomplishes all conditions as further stated in the TOR. When the whole Work is completed and the Contractor accomplished all conditions under the Contract, the Contractor must inform HPC in writing for the final inspection at least fourteen (14) days in advance.

In case that HPC rejects the Work, HPC will give the reason and specify the Work to be done or any outstanding defects to be remedied by the Contractor to fulfill the obligations under the Contract. The procedure described above must be repeated until HPC issues the Taking-Over Certificate.

Clause 8: The Scheduled Completion Date

The Work hereunder must be complete no later than the Scheduled Completion Date.

Clause 9: Delay Liquidated Damages

Unless otherwise agreed in writing by both Parties, where any part of the Work is not complete within the Scheduled Completion Date, the Contractor hereby agrees to pay HPC the delay liquidated damages at the daily rate in an amount of zero point one percent (0.1%) of the total contract price for each day of delay until all the Work is complete according to the Contract, without prejudice to any rights and remedies of HPC under the Contract or the law. The maximum of such liquidated damages under the Contract shall not exceed ten percent (10%) of the total contract price.

Nonetheless, in case the Contractor fails to complete the Work within the Scheduled Completion Date, HPC may, at its sole discretion, allow a grace period of ten (10) days free of the liquidated damages for each Scheduled Completion Date, provided that the Contractor informs HPC in writing of such failure at least seven (7) days prior to the Scheduled Completion Date. After such period, if the Contractor still cannot complete the Work, the Contractor will be charged with the liquidated damages for such ten (10) days immediately.

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

Clause 10: Contract Price and Condition of Payment

a) The total contract price stated in the PO is inclusive of all costs and expenses that HPC is obligated to pay to the Contractor in consideration of the performance of the Work. The total contract price shall be as stated in the PO and shall not be increased except with the express written consent of HPC.

b) Subject to the conditions in Attachment 1:
Unless stated otherwise in the PO, the payment for the performance of the Work shall be paid in a single payment upon accepting the complete Work as evidenced by the Taking-Over Certificate.
In case that the Work is to be accepted in parts or according to the agreed milestone, the payment for each part shall be paid upon the acceptance of each part as evidenced by the Certificate of Inspection issued for each relevant part; provided that the final payment for such Work shall be paid conditional on the issuance of the Taking-Over Certificate.

c) Each payment shall be payable upon HPC receiving the undisputed invoice from the Contractor and HPC issuing the Certificate of Inspection or the Taking-Over Certificate to the Contractor as follow:
   (a) If an invoice is submitted to HPC during the days 1 – 15 in any month, the payment of such invoice will be paid on the date of10th day of the following month.
   (b) If an invoice is submitted to HPC during days 16 – 31 in any month, the payment of such invoice will be paid on the date of 25th day of the following month.

d) Each payment shall be made by transfer to the bank account designated by the Contractor.

e) Each invoice shall include HPC's address, telephone number, and attention to Managing Director of Hongsa Power Company Limited, and clearly indicate the part of the Work for which the payment is requested.

f) Each invoice shall be submitted to one of the following address:
   - Hongsa Power Company Limited (Head Office)
     NNN Building, 4th Floor, Room No. D5, Boulichan Road,
     Phonsinouan Village, Sisattanark District,
     Vientiane Capital, Lao PDR; or
   - Hongsa Power Company Limited (Representative Office)
     3/37-38 Woravichai Road, Nai-Wieng District,
     Muang Nan, Nan Province 55000 Thailand; or
   - Hongsa Power Company Limited (Site Office)
     Phonchan Office, Phonchan Village, Hongsa District,
     Xayaboury Province, Lao PDR
     Attention to name of the Requestor stated in the PO.
   - Telephone number: +66(0) 54 775 869, 775 894.

g) Each Party shall be responsible for any bank, government, and other charges it incurs.

Clause 11: Set-off

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

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

Clause 12: Tax

a) Where the Contractor is a corporate or individual of the Lao PDR, HPC shall, in accordance with the applicable taxation law, be entitled to withhold all applicable taxes at the required rate from all payments made to the Contractor, remit the amount of taxes withheld to the applicable tax authority for the Contractor’s account, and issue an appropriate withholding tax certificate or receipt to the Contractor.

b) Where the Contractor is not a corporate or individual of the country of HPC, the following provisions shall apply:
   (i) If the Contractor has a permanent establishment in the Lao PDR for the performance of the Work, and can provide a tax certificate of domicile (or like), which is valid at the dates of the duration of the Contract, from the applicable tax office for the purpose for claiming exemption from the applicable withholding tax or reduction of the applicable withholding tax rate based on the prevailing tax treaty, HPC shall, in accordance with the applicable taxation law of the country of HPC, withhold all applicable taxes at the required rate from all payments to the Contractor, remit the amount withheld to the applicable tax office for the Contractor’s account, and forward the appropriate receipt to the Contractor.
   If the Contractor claims for either exemption from the withholding tax or reduction of the withholding tax rate based on the prevailing tax treaty, a valid certificate of domicile shall be sent to HPC prior to payment.
   (ii) The withholding tax may not apply to the Contractor who represents and warrants that it does not have a permanent establishment in Lao PDR for the performance of the Work. Notwithstanding the foregoing, the Contractor shall indemnify HPC from and against any damages, penalties, charges, fines, costs and expenses (including legal fees) suffered by HPC as a result of HPC not deducting or withholding applicable taxes in reliance of the Contractor’s representation and warranty.
   (iii) The Contractor shall be responsible and liable for the payment of all taxes imposed on it under applicable laws in relation to the performance of Work under the Contract including the withholding tax for the income tax payable to its employees and the Contractor shall indemnify HPC

from and against any claims or losses resulting from such failure.

Clause 13: Performance Security

a) Unless otherwise specified in the PO, the Contractor is obligated to provide the Performance Security to HPC as security for any and all Contractor's obligations and liabilities having the details as specified in Attachment 1 of this General Conditions of Contract for Hiring of Work.

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

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

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

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

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

Clause 14: Force Majeure

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

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

Clause 15: Confidentiality

The Contractor shall keep confidential all documents, drawings and other information supplied by HPC (whether marked "confidential" or not), and shall not use or disclose such information or items to a third party unless it is required by the law, or it is inevitably necessary for the execution of the Work. Where it is necessary for the Contractor to provide such items or information to a third party, the Contractor shall, prior to the supply of such items or information, ensure that the third party has entered into a non-disclosure agreement with the Contractor in respect of the items or the information.

The Contractor shall not disclose any information or provision in this Contract to any third party without prior written approval of HPC. This condition shall survive the termination or expiration of the Contract.

Clause 16: Indemnification

The Contractor agrees to indemnify and hold harmless HPC, its officers, agents, subcontractors, contractors, directors, employees, successors and assigns from and against any and all claims, losses, damages, liabilities, penalties, expenses, legal fees, and costs of any kind or amount whatsoever, which result from or arise out of or in connection with:

a) any act or omission of the Contractor, its officer, agents, subcontractors, directors, employees, successors and assigns that occurs in connection with this Contract, including property damage, bodily injury, sickness, disease, or death of any person whatsoever arising out of or in the course of or by reason of the design, execution and completion of the Work and the remedying of any defects, unless attributable to any negligence or wilful act of HPC;

b) any and all claims of third parties including but not limited to claims concerning infringement of Intellectual Property Rights due to the HPC's use of the Work performed by the Contractor or materials provided by the Contractor;

c) the Contractor's negligence, willful misconduct, misrepresentation, fraud, or violation of the law in its performance under the Contract, as well as non-performance of its obligations under the Contract;

d) breach of the Contract by the Contractor; and

e) any defects in the Work.

This Clause shall survive the termination of this Contract.

Clause 17: Termination

a) HPC may terminate the Contract without cause by giving an advance written notice of not less than fifteen (15) days in advance. HPC shall reimburse the Contractor for reasonable costs incurred arising from such termination provided that the Contractor has used its best efforts to minimize such costs.

b) If the Contractor is in breach of any obligation under the Contract and such breach is not remedied within seven (7) days following the receipt of the notice given by HPC or any other period specified by HPC, HPC may terminate the Contract forthwith. In this case, the Contractor shall not be entitled to receive any further payment. If the total cost for HPC to complete the remaining Work, including but not limited to the cost to employ any third party to complete the Work, plus amounts previously paid to the Contractor for the Work will exceed the total agreed contract price under the PO, the Contractor shall promptly pay the difference to HPC.

   The Contractor agrees and acknowledges that the third party employed above may utilize any and all plant, equipment, tools, facilities and any temporary works of the Contractor on the Site until full completion of the Work without being obliged to make any payment to the Contractor and without incurring any other liability to the Contractor or to any other person. Alternatively, or in addition, HPC or any such other person or such party may require that the Contractor remove immediately from the Site any and all of such plant, equipment, tools, facilities and any temporary works. If the Contractor fails or omits to do so, HPC or such third party may proceed to do so at the Contractor's cost, without incurring any liability to the Contractor or to any other person in so doing.

c) HPC may immediately terminate the Contract if the Contractor is subject to any receivership, becomes bankrupt or insolvent, or is in liquidation, winding up or reorganization procedures.

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

Clause 18: Notice

Where any notice is to be given to the Contractor under the Contract, such notice shall be submitted to the address and to the person stated in the PO, provided that the Contractor hereby confirms that such address is affirmed and such person is authorized as a legal representative of the Contractor. The Contractor is obligated to

provide HPC with evidence of such legal representative such as recent power of attorney, and/or registered company certificate upon HPC's request.
Where any notice is to be given to HPC under the Contract, such notice shall be submitted to the address and to the person as stated in 'Managing Director' field in PO.
Notices shall be deemed to have been duly delivered on the day on which it was served by hand, or transmitted by electronic mail, or if delivered by registered postal services, when actually delivered to the relevant address.

Clause 19: Insurance

The Contractor must obtain and maintain an insurance as required by HPC throughout the duration of the Contractor's performance of the Work under the Contract, at its own expense, from the reputable and financially sound insurer with coverage acceptable to HPC. The details of such insurance including its coverage shall be as designated by HPC.
Subject to the above paragraph, within seven (7) days from the Commencement Date, the Contractor shall provide HPC with a certificate from its insurer reflecting that the Contractor has the required insurance in force and paid for.

Clause 20: Dispute Resolution

Any dispute, controversy, or claim arising out of or in connection with this Contract, including any question regarding its existence, validity, or termination shall be submitted to the competent court of Thailand.
Notwithstanding the existence of any dispute, each Party shall at all times proceed diligently and in good faith with the performance of its obligations under the Contract not subject to the dispute settlement.

Clause 21: Warranty

Unless stated otherwise in the PO, the Contractor does hereby give HPC a warranty period for twelve (12) months after the issuance of the Taking-Over Certificate against any loss or damage arising from any defect in materials furnished, design, functionality, or workmanship performed under and pursuant to the Contract throughout the warranty period. The Contractor has an obligation to provide HPC with the warranty certificate and claims policy of the Work, or the Contractor's document that clearly states the warranty condition and claim policy of the Work.
The Contractor shall be obliged at its own cost and expense to promptly and fully rectify or replace to the reasonable satisfaction of HPC any and all defects in materials or workmanship or any shrinkages or other faults in the Work. Notwithstanding the foregoing, HPC reserves the right to claim for damage suffered from defects that warranty is given against.
The warranty shall not cover damage caused by Force Majeure and the modification in the Work by HPC or other persons without the Contractor's consent.

Clause 22: Independent Contractor

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

Clause 23: No Waiver

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

Clause 24: Severability

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

Clause 25: Change in Law

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

Clause 26: Consequential Damages

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

Clause 27: Assignment and Subcontracting

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

Clause 28: Amendment

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

Clause 29: Governing Law and Language

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