

## APPENDIX I

### YSPSC General Terms and Conditions of Contract

#### *LEGAL STATUS OF THE PARTIES*

- 1.1 YSPSC and the Contractor will be referred to as a “Party” individually or the “Parties” collectively. The Contractor has the legal status of an independent Contractor vis-à-vis YSPSC. The Contractor’s personnel and sub-contractors are not to be considered in any respect employees or agents of YSPSC.

#### *SOURCE OF INSTRUCTIONS*

- 2.1 The Contractor will only accept instructions from YSPSC in the performance of the Contract. The Contractor will refrain from any action that may adversely affect YSPSC and will fulfil its commitments with the fullest regard to the interests of YSPSC. Should any authority external to YSPSC seek to impose any instructions concerning or restrictions on the Contractor’s performance under the Contract, the Contractor will promptly notify YSPSC and provide all reasonable assistance required by YSPSC.

#### *CONTRACTOR’S RESPONSIBILITY FOR EMPLOYEES*

- 3.1 The Contractor will be responsible for the professional and technical competence of its employees and will select, for work under the Contract, reliable individuals who will perform effectively in the implementation of the Contract, respect the local laws and customs, and conform to a high standard of moral and ethical conduct.
- 3.2 The Contractor shall not discriminate against any person because of race, gender or gender identity, sexual orientation, impairment or disability, religious or political beliefs, age, marital or relationship status, pregnancy, breastfeeding or other family responsibilities.

#### *SPECIFIED PERSONNEL*

- 4.1 The Contractor must ensure that the services are performed in accordance with the Contract. Where personnel have been specified, they must provide those services. YSPSC may remove any personnel (including Specified Personnel) from work in respect of the Contract. If it does so, or if Specified Personnel are unable or unwilling to perform the Contract, the Contractor will provide replacement personnel (acceptable to YSPSC) of suitable ability and qualifications at no additional cost and at the earliest opportunity.

#### *ASSIGNMENT*

- 5.1 The Contractor may not assign, transfer, pledge or make other disposition of the Contract or any part thereof, or any of the Contractor’s rights, claims or obligations under the Contract except with the prior written consent of YSPSC.

#### *SUB-CONTRACTING*

- 6.1 No subcontracting will be permitted under the Contract unless it is proposed in the initial submission or is agreed to by YSPSC in writing. In any event, the total responsibility for the Contract remains with the Contractor. The Contractor shall be responsible for ensuring that all subcontracts shall be fully consistent with the Contract and shall not in any way

prejudice the implementation of any of its provisions.

- 6.2 Prior to employing individuals or engaging subcontractors to perform services under the Contract, the Contractor agrees, at its own expense, to perform due diligence necessary to ensure compliance with the terms of the Contract.

#### *PURCHASE OF GOODS*

- 7.1 To the extent that the Contract involves any purchase of goods, and unless specifically stated in the Contract, the following terms and conditions apply to any purchases of goods:

##### *Delivery of the goods*

- 7.2 The Contractor shall hand over or make available the goods, and YSPSC shall receive the goods, at the place for the delivery of the goods and within the time for delivery of the goods specified in the Contract.
- 7.3 The Contractor shall provide to YSPSC such shipment documentation (including, bills of lading, airway bills, and commercial invoices) as are specified in the Contract or otherwise, as are customarily utilized in the trade.
- 7.4 Unless otherwise specified in the Contract, (including, but not limited to, in any "INCOTERM" or similar trade term), the entire risk of loss, damage to, or destruction of the goods shall be borne exclusively by the Contractor until physical delivery of the goods to YSPSC in accordance with the terms of the Contract. Delivery of the goods shall not be deemed in itself as constituting acceptance of the goods by YSPSC.

##### *Packaging of the goods*

- 7.5 The Contractor shall package the goods for delivery in accordance with the highest standards of packaging for the type and quantities and modes of transport of the goods. The goods shall be packed and marked in a proper manner in accordance with the instructions stipulated in the Contract or, otherwise, as customarily done in the trade, and in accordance with any requirements imposed by applicable law or by the transporters and manufacturer of the goods. The packing, in particular, shall mark the Contract or Purchase Order number and any other identification information provided by YSPSC as well as such other information as is necessary for the correct handling and safe delivery of the goods. Unless otherwise specified in the Contract, the Contractor shall have no right to any return of the packing materials.

##### *Transportation and freight*

- 7.6 Unless otherwise specified in the Contract (including, but not limited to, in any "INCOTERM" or similar trade term), The Contractor shall be solely liable for making all transport arrangements and for payment of freight and insurance costs for the shipment and delivery of the goods in accordance with the requirements of the Contract. The Contractor shall ensure that YSPSC receives all necessary transport documents in a timely manner so as to enable YSPSC to take delivery of the goods in accordance with the requirements of the Contract.

##### *Warranties*

- 7.7 In addition to and without limiting any other warranties, remedies or rights of YSPSC stated in or arising under the Contract, the Contractor warrants and represents that:

- a) The goods, including all packaging and packing thereof, conform to the specifications of the Contract, are fit for the purposes for which such goods are ordinarily used and for any purposes expressly made known in writing in the Contract, and shall be of even quality, free from faults and defects in design, material, manufacturer and workmanship;
- b) If the Contractor is not the original manufacturer of the goods, the Contractor shall provide YSPSC with the benefit of all manufacturers' warranties in addition to any other warranties required to be provided under the Contract;
- c) The goods are of the quality, quantity and description required by the Contract, including when subjected to conditions prevailing in the place of final destination;
- d) The goods are new and unused;
- e) All warranties, even after the end of the Contract, will remain fully valid following any delivery of the goods and for a period of not less than one (1) year following acceptance of the goods by YSPSC in accordance with the Contract;
- f) During any period in which the Contractor's warranties are effective, upon notice by YSPSC that the goods do not conform to the requirements of the Contract, the Contractor shall promptly and at its own expense correct such non-conformities or, in case of its inability to do so, replace the defective goods with goods of the same or better quality or, at its own cost, remove the defective goods and fully reimburse YSPSC for the purchase price paid for the defective goods; and,
- g) The Contractor shall remain responsive to the needs of YSPSC for any services that may be required in connection with any of the Contractor's warranties under the Contract.

#### Acceptance of the goods

7.8 Under no circumstances shall YSPSC be required to accept any goods that do not conform to the specifications or requirements of the Contract. YSPSC may condition its acceptance of the goods upon the successful completion of acceptance tests as may be specified in the Contract or otherwise agreed in writing by the Parties. In no case shall YSPSC be obligated to accept any goods unless and until YSPSC has had a reasonable opportunity to inspect the goods following delivery. If the Contract specifies that YSPSC shall provide a written acceptance of the goods, the goods shall not be deemed accepted unless and until YSPSC in fact provides such written acceptance. In no case shall payment by YSPSC constitute acceptance of the goods.

#### Rejection of the goods

7.9 Notwithstanding any other rights of, or remedies available to YSPSC under the Contract, in case any of the goods are defective or otherwise do not conform to the specifications or other requirements of the Contract, YSPSC, at its sole option, may reject or refuse to accept the goods, and within thirty (30) days following receipt of notice from YSPSC of such rejection or refusal to accept the goods, the Contractor shall, in sole option of YSPSC:

- a) Provide a full refund upon return of the goods, or a partial refund upon a return of a portion of the goods, by YSPSC; or,
- b) Repair the goods in a manner that would enable the goods to conform to the specifications or other requirements of the Contract; or,

- c) Replace the goods with goods of equal or better quality; and,
- d) Pay all costs relating to the repair or return of the defective goods as well as the costs relating to the storage of any such defective goods and for the delivery of any replacement goods to YSPSC.

#### Title to the goods

7.10 Unless otherwise expressly provided in the Contract, title in and to the goods shall pass from the Contractor to YSPSC upon delivery of the goods and their acceptance by YSPSC in accordance with the requirements of the Contract.

#### *PROVISION OF SERVICES*

8.1 To the extent that the Contract involves any provision of services, whether in whole or in part, and unless specifically stated in the Contract, the following terms and conditions shall apply to any provision of services:

#### Examination and acceptance

8.2 YSPSC reserves the right to assess the services provided under the Contract, at any time prior to the expiry of the Contract. In the event that the services are not performed in accordance with the terms of reference and/or the provisions of the Contract, and at no additional cost, the Contractor shall make such adjustments as YSPSC may request in writing to provide the services in accordance with the terms of the Contract, so as not to unduly delay delivery.

#### Delay and defaults

8.3 If there should be any delay in the performance of the Contract or any part thereof, the Contractor shall notify YSPSC in writing giving the cause.

8.4 If the Contractor is unable to obtain any services necessary for the performance of the Contract from its normal sources, it shall remain liable for any delays when equivalent services can be obtained from other sources in good time.

8.5 In any event, if the Contractor fails to complete the services required within the time specified in the Contract, or within any extension that may be granted, YSPSC may, without prejudice to any further rights it may have under the Contract:

- a) Suspend or cancel the right of the Contractor to proceed further with any services – or part thereof – in which there has been a delay;
- b) Obtain elsewhere upon such terms and conditions as may be deemed appropriate replacement services similar to those which the Contractor failed to provide; or
- c) Make a corresponding adjustment to the consideration payable to the Contractor; provided, however, that the Contractor shall continue performance of the Contract to the extent not suspended or cancelled under the provisions of this paragraph.

8.6 The Contractor shall be liable for any excess costs or damages caused to YSPSC by a failure or delay on the part of the Contractor in the performance of its obligations under the

Contract, except where such failure or delay is due to:

- a) causes which are attributable to YSPSC, or
- b) Force Majeure.

- 8.7 YSPSC shall determine the effects of any delay or default particularly in regard to an adjustment of the consideration due to the Contractor and to excess costs or damages caused to YSPSC and its findings shall be binding.
- 8.8 If the Contractor doesn't cure the default or delay for providing the services within a reasonable timeframe, YSPSC may terminate the Contract for cause, according to article 29 of these General Terms and Conditions.

#### *EXECUTION OF WORKS*

- 9.1 To the extent that the Contract involves any execution of works, whether in whole or in part, and unless specifically stated in the Contract, the following terms and conditions shall apply to any execution of works:

#### *Obligation to Perform in Accordance with the Contract*

- 9.2 The Contractor shall execute and complete the works and remedy any defects therein in strict accordance with the Contract, with due care and diligence and to the satisfaction of YSPSC, and shall provide all labor, including the supervision thereof, materials, constructional plant and all other things, whether of a temporary or permanent nature, required in and for such execution, completion and remedying of defects, as far as the necessity for providing the same is specified in or is reasonably to be inferred from the Contract. The Contractor shall comply with and adhere strictly to YSPSC's instructions and directions on any matter, touching or concerning the works.
- 9.3 The Contractor shall execute and complete the works in accordance with article 26 of these general terms and conditions, in particular with regard to health and safety requirements, insurance, working conditions for workers, construction, administration and environmental law.

#### *Insurance of the works*

- 9.4 The Contractor shall insure at its own costs, immediately following signature of the Contract, in the joint names of YSPSC and the Contractor for the entire duration of the Contract, including the defect liability period, against all loss or damage from whatever cause arising, other than cause of Force majeure and against loss or damage for which the Contractor is responsible.
- 9.5 The Contractor shall insure against his liability for any death, material or physical damage, loss or injury which may occur to any property (including that of YSPSC) or to any person (including any employee of YSPSC) by or arising out of the execution of the works or in the carrying out of the Contract.
- 9.6 The Contractor shall insure against the liability of any accident or injury any workman or other person in the employment of the Contractor or any subcontractor.

### Responsibility of the Contractor

- 9.7 The Contractor shall take full responsibility for the adequacy, stability, and safety of all site operations and methods of construction.
- 9.8 The Contractor shall be responsible for the true and proper setting out of the works in relation to original points, lines and levels of reference given by YSPSC in writing and for the correctness of the position, levels, dimensions and alignment of all parts of the works and for the provision of all necessary instruments, appliances and labor in connection therewith. If, at any time during the progress of the works, any error shall appear or arise in the position, levels, dimensions or alignment of any part of the works, the Contractor, on being required so to do by YSPSC, shall, at his own cost, rectify such error to the satisfaction of YSPSC.

### Delays or damage to the works

- 9.9 The Contractor shall give written notice to YSPSC whenever planning or progress of the works is likely to be delayed or disrupted unless any further drawing or order, including a direction, instruction or approval, is issued by YSPSC within a reasonable time. The notice shall include details of drawing or order required and of why and by when it is required and of any delay or disruption likely to be suffered if it is late.
- 9.10 In the event that any damage or loss should happen to the works or to any part thereof from any cause whatsoever (except as shall be due to Force Majeure), the Contractor shall at his own cost repair and make good the same so that, at completion, the works shall be in good order and condition and in conformity in every respect with the requirements of the Contract and YSPSC's instructions.

### Fossils, artifacts, and antiques

- 9.11 All fossils, coins, artifacts, articles of value or antiquity and structures and other remains or things of geological or archaeological interest discovered on the site of the works shall as between YSPSC and the Contractor be deemed to be the absolute property of YSPSC. YSPSC shall then decide how such discoveries are to be dealt with, taking due account of the law of the State in which the works are carried out. The Contractor shall take reasonable precautions to prevent his workmen or any other persons from removing or damaging any such article or thing and shall immediately upon discovery thereof and before removal acquaint YSPSC of such discovery.

### Ownership of paid material and work

- 9.12 All material and work covered by payments made by YSPSC to the Contractor shall thereupon become the sole property of YSPSC.

### Defect liability period

- 9.13 During a period of 12 months, calculated from the date of completion of the works, the Contractor shall be bound to YSPSC by a defect liability period. During this period, the Contractor shall finish the work outstanding, if any, and execute all such work of repair, amendment, reconstruction, rectification. Further, the Contractor shall make good defects, imperfections, shrinkages, or other faults as may be required of the Contractor in writing by YSPSC. The Contractor shall also be liable for any damage to the works

occasioned by him in the course of any operations carried out during the defect liability period.

- 9.14 All such outstanding work shall be carried out by the Contractor at his own expense if, in the opinion of YSPSC, the necessity thereof is due to the use of material or workmanship not in accordance with the Contract, or to neglect or failure on the part of the Contractor to comply with any obligation expressed or implied, on the Contractor's part under the Contract. For this purpose, YSPSC may withhold payment of minimum 5% of the remuneration as a defect liability bond pending expiry of the defect liability period for claims relating to defects. The Contractor may redeem this bond by providing a defect liability guarantee.

#### *TERMS OF PAYMENT*

- 10.1 No invoice shall be submitted by the Contractor until the corresponding milestone has been formally accepted by YSPSC in accordance with the terms of the Contract. The payment term of 30 (thirty) days runs from the day the invoice is accepted by YSPSC, after successful completion of the related milestone.
- 10.2 Each invoice shall mention the reference number of the Contract/Purchase Order and shall be issued in the legal name and address of YSPSC's Headquarters or Regional office as follows:

---

**Yap State Public Service Corporation**  
**P.O. Box 667**  
**Colonia, Yap, FSM 96943**

---

- 10.3 The contractually agreed price is not subject to any adjustment or revisions because of currency fluctuations or conversion rates, or the actual costs incurred by the Contractor in the performance of the Contract.
- 10.4 The Contractor shall be solely responsible for the arrangement of any visas required and the payment of any tax or any other liabilities incurred during the provision of the Services.
- 10.5 YSPSC shall not be responsible for any expenses incurred by the Contractor in performing the Contract unless specifically stated in the Contract.

#### *OFFICIAL NOT TO BENEFIT*

- 11.1 The Contractor warrants that no official of YSPSC has received or will be offered by the Contractor any direct or indirect benefit arising from the Contract or the award thereof. The Contractor agrees that breach of this provision is a breach of an essential term of the Contract.

#### *INDEMNIFICATION*

- 12.1 The Contractor shall indemnify, hold and save harmless, and defend, at its own expense, YSPSC, its officials, agents, servants and employees from and against all suits, claims, demands, and liability of any nature or kind, including their costs and expenses, arising out of acts or omissions of the Contractor, or the Contractor's employees, officers, agents or

sub-contractors, in the performance of the Contract. This obligation does not extend to actions and omissions of YSPSC.

- 12.2 This provision shall extend, inter alia, to claims and liability in the nature of workmen's compensation, products liability and liability arising out of the use of patented inventions or devices, copyrighted material or other intellectual property by the Contractor, its employees, officers, agents, servants or sub-contractors.
- 12.3 The obligations under this clause do not lapse upon termination of the Contract.

#### *FRAUD AND CORRUPTION*

- 13.1 The Contractor shall adhere to the highest standard of ethical conduct and not engage in corrupt, fraudulent, collusive, coercive or obstructive practices.
- 13.2 The Contractor agrees to bring allegations of corrupt, fraudulent, collusive, coercive or obstructive practices arising in relation to the Contract, of which the Contractor has been informed or has otherwise become aware, promptly to the attention of YSPSC.
- 13.3 For purposes of these General Terms and Conditions, the following definitions shall apply:
- (i) **"corruption"** means the abuse of entrusted power for private gain. It may include improperly influencing the actions of another party or causing harm to another party. The gain or benefit may be for the person doing the act or for others.
  - (ii) **"fraud"** means any dishonest act or omission that causes loss or detriment to YSPSC or results in an unauthorized benefit or advantage to either the person(s) acting or omitting or to a third party. The act or omission can be either deliberate or reckless in relation to the harm caused or the benefit or advantage obtained.
- 13.4 Any breach of this representation and warranty shall entitle YSPSC to terminate the Contract immediately upon notice to the Contractor, at no cost to YSPSC.

#### *INSURANCE AND LIABILITIES TO THIRD PARTIES*

- 14.1 YSPSC shall have no responsibility for the purchase of any insurance which may be necessary in respect to any loss, injury, damage or illness occurring during the execution by the Contractor of the present Contract.
- 14.2 The Contractor will hold insurance against all risks in respect of its employees, sub-contractors, property and equipment used for the execution of the Contract, including appropriate worker's compensation for personal injury or death.
- 14.3 The Contractor will also hold liability insurance in an adequate amount to cover third party claims for any claims arising from or in connection with the provision of services under the Contract.
- 14.4 The Contractor shall, upon request, provide YSPSC with satisfactory evidence of insurance cover as required under this clause.

#### *ENCUMBRANCES/LIENS*

- 15.1 The Contractor shall not cause or permit any lien, attachment or other encumbrance by any person to be placed on file or to remain on file in any public office or on file with



YSPSC against any monies due or to become due for any work done or materials furnished under the Contract, or by reason of any other claim or demand against the Contractor.

#### *TITLE TO EQUIPMENT FURNISHED BY YSPSC*

16.1 Title to any equipment and supplies that may be provided by YSPSC rests with YSPSC. Such equipment shall be returned to YSPSC at the conclusion of the Contract or when no longer needed by the Contractor. On return, the equipment shall be in the same condition as when delivered to the Contractor, subject to normal wear and tear. The Contractor shall be liable to compensate YSPSC for equipment determined to be damaged or degraded beyond normal wear and tear.

#### *INTELLECTUAL PROPERTY RIGHTS*

17.1 YSPSC is entitled to all intellectual property and other proprietary rights including but not limited to patents, copyrights, and trademarks, with regard to products, or documents and other materials which bear a direct relation to or are produced or prepared or collected in consequence of or in the course of the execution of the Contract. This includes derivative works created as a result of products created pursuant to the Contract. The Contractor acknowledges and agrees that such products, documents and other materials constitute works made for hire for YSPSC.

17.2 To the extent that any such intellectual property or other proprietary rights consist of any intellectual property or other proprietary rights of the Contractor: (i) that pre-existed the performance by the Contractor of its obligations under the Contract, or (ii) that the Contractor may develop or acquire, or may have developed or acquired, independently of the performance of its obligations under the Contract, YSPSC does not and shall not claim any ownership interest thereto, and the Contractor grants to YSPSC a perpetual license to use such intellectual property or other proprietary right solely for the purposes of and in accordance with the requirements of the Contract.

17.3 At YSPSC's request, the Contractor shall take all necessary steps, execute all necessary documents and generally assist in securing such proprietary rights and transferring them to YSPSC.

17.4 Subject to the foregoing provisions, all maps, drawings, photographs, mosaics, plans, reports, estimates, recommendations, documents, and all other data compiled by or received by the Contractor under the Contract shall be the property of YSPSC, shall be made available for use or inspection by YSPSC at reasonable times and in reasonable places, shall be treated as confidential, and shall be delivered only to YSPSC authorized officials on completion of work under the Contract.

#### *TITLE TO DELIVERABLES*

18.1 The Contractor warrants that the contractual deliverables are unencumbered by any third party's proprietary rights. Unless otherwise expressly provided in the Contract, title to contractual deliverables shall pass to YSPSC when they are handed over to it.

#### *USE OF NAME, EMBLEM OR OFFICIAL SEAL OF YSPSC*

19.1 The Contractor shall not advertise or otherwise make public for purposes of commercial advantage or goodwill the fact that it is a Contractor with YSPSC, nor shall the Contractor, in any manner whatsoever use the name, emblem or official seal of YSPSC, or any abbreviation of the name of YSPSC in connection with its business or otherwise without YSPSC's prior written approval.

#### *CONFIDENTIAL NATURE OF DOCUMENTS AND INFORMATION*

20.1 All documents and information relating to the Contract as well as any other information of which the Contractor becomes aware in the course of performing the Contract that is not in the public domain must be treated as confidential during and beyond the term of the Contract. The Contractor shall not be permitted to make use of any such data and information for the Contractor's own purposes.

20.2 The Contractor may not communicate at any time to any other person, Government or authority external to YSPSC, any information known to it by reason of its association with YSPSC which has not been made public except with the authorization of YSPSC; nor shall the Contractor at any time use such information to private advantage.

20.3 YSPSC undertakes to treat as confidential and not to disclose to any third-party information concerning the Contractor's trade secrets or business affairs disclosed by him for the purposes of the Contract.

20.4 These obligations do not lapse upon termination of the Contract.

#### *USE OF AND LIABILITY FOR DATA*

21.1 The Contractor's use of all data supplied to him by YSPSC is restricted exclusively to the purpose of performing his obligations under the Contract.

21.2 The Contractor must ensure that personal data is processed in accordance with all applicable laws, regulations and general principles on the protection of personal data. Where the Contractor is to process personal data on behalf of YSPSC, such processing will be governed by and carried out in accordance with YSPSC's Privacy Policy.

#### *TAX EXEMPTION*

22.1 Under host country agreements and legislation of YSPSC members conferring privileges and immunities, as an intergovernmental organization, YSPSC is exempt from all direct taxes, except charges for public utility services, and is exempt from customs duties and charges of a similar nature in respect of articles imported or exported for its official use. In the event any governmental authority refuses to recognise YSPSC's exemption from such taxes, duties or charges, the Contractor shall immediately consult with YSPSC to determine a mutually acceptable procedure.

22.2 The Contractor authorises YSPSC to deduct from the Contractor's invoice any amount representing such taxes, duties or charges, unless the Contractor has consulted with YSPSC before the payment thereof and YSPSC has, in each instance,

specifically authorised the Contractor to pay such taxes, duties or charges under protest. In that event, the Contractor shall provide YSPSC with written evidence that payment of such taxes, duties or charges has been made and appropriately authorised.

22.3 The Contractor is responsible for payment of their own income taxes.

#### *GOVERNING LAW AND OBSERVANCE OF THE LAW*

26.1 These General Terms and Conditions will be governed by the general principles of international law to the exclusion of any single national system of law. General principles of law shall be deemed to include the UNIDROIT Principles of International Commercial Contracts 2016.

26.2 The Contractor must comply with all laws, ordinances, rules, and regulations bearing upon the performance of its obligations under the terms of the Contract.

#### *AUTHORITY TO MODIFY*

27.1 No modification or change, nor waiver of any of the provisions of the Contract and/or these General Terms and Conditions will be valid and enforceable against YSPSC unless provided by an amendment to the Contract signed by the authorized official of YSPSC.

27.2 If the Contract shall be extended before its expiry for additional periods in accordance with the terms and conditions of the Contract, the terms and conditions applicable to any such extended term of the Contract shall be the same terms and conditions as set forth in the Contract, unless the Parties shall have agreed otherwise pursuant to a valid amendment concluded in accordance with Article 27.1, above.

#### *FORCE MAJEURE AND OTHER CHANGES IN CONDITIONS*

28.1 Force majeure for the purposes of these General Terms and Conditions means any unforeseeable and irresistible act of nature, any act of war (whether declared or not), invasion, revolution, insurrection, terrorism, or any other acts of a similar nature or force, provided that such acts arise from causes beyond the control and without the fault or negligence of the Parties.

28.2 In the event of the occurrence of any cause constituting force majeure and within fifteen (15) days of the occurrence of the force majeure event, the affected Party shall give notice and full particulars in writing to the other Party, of such occurrence or cause if the affected Party is thereby rendered unable, wholly or in part, to perform its obligations and meet its responsibilities under the Contract. The affected Party should notify the other Party of any other changes in conditions or the occurrence of any event which interferes or threatens to interfere with its performance of the Contract.

28.3 The notice shall include steps proposed by the affected Party to be taken, including any reasonable alternative means for performance that is not prevented by force majeure. On receipt of the notice or notices required hereunder, the Party not affected by the occurrence of a cause constituting force majeure shall take such action as it reasonably considers to be appropriate or necessary in the circumstances, including the granting to the affected Party of a reasonable extension of time in which to perform any obligations under the Contract.

28.4 If the Contractor is rendered permanently unable, wholly or in part, by reason of force majeure to perform its obligations and meet its responsibilities under the Contract, YSPSC shall have the right to suspend or terminate the Contract on the same terms and conditions as are provided for in clause 29 "Termination", except that the period of notice shall be seven (7) days instead of thirty (30) days.

#### *TERMINATION*

29.1 Either party may terminate the Contract for cause, in whole or in part, with fifteen (15) days' written notice to the other party. The initiation of arbitral proceedings in accordance with clause 30 "Settlement of Disputes" below shall not be deemed a termination of the Contract.

29.2 YSPSC reserves the right to terminate without cause the Contract, at any time with thirty (30) days written notice to the Contractor, in which case YSPSC shall pay the Contractor for all reasonable costs incurred by the Contractor prior to receipt of the notice of termination.

29.3 In the event of any termination of the Contract by YSPSC, no payment shall be due from YSPSC to the Contractor except for work and services satisfactorily performed in conformity with the express terms of the Contract. The Contractor shall take immediate steps to terminate the work and services in a prompt and orderly manner and to minimize losses and further expenditure.

29.4 Should the Contractor be adjudged bankrupt, or be liquidated or become insolvent, or should the Contractor make an assignment for the benefit of its creditors, or should a receiver be appointed on account of the insolvency of the Contractor, YSPSC may, without prejudice to any other right or remedy it may have, terminate the Contract forthwith. The Contractor shall immediately inform YSPSC of the occurrence of any of the above events.

#### *SETTLEMENT OF DISPUTES*

30.1 The Parties will use their best efforts to settle amicably any dispute, controversy or claim arising out of, or relating to the Contract or the breach, termination or invalidity thereof.

30.2 If a dispute is not settled within sixty (60) days of one Party notifying the other of a request for amicable settlement, the dispute can be referred by either Party to arbitration in accordance with the general principles of international law. The arbitration will be governed by the Arbitration Rules of the United Nations Commission on International Trade Law (UNCITRAL) as at present in force. The arbitral tribunal shall have no authority to award punitive damages. The Parties shall be bound by any arbitration award rendered as a result of such arbitration as the final adjudication of any such controversy, claim or dispute.

#### *PRIVILEGES AND IMMUNITIES*

30.3 Nothing in or relating to the Contract shall be deemed a waiver, express or implied, of any of the privileges and immunities of YSPSC.