



General Terms and Conditions for Professional Services

1. APPLICABILITY

These General Terms and Conditions for Professional Services ("Conditions") shall apply to all professional services rendered by INPRO Engineering and Consulting, LLC ("Contractor") to a customer ("Client").

2. DEFINITIONS

"Services" are professional services or works in the form of consulting services; development of technical documentation (concept, feasibility study (FS), basic technical solutions (BTS), tender documentation); architectural and construction design (development of proekt and detailed engineering); management and other related services provided by the Contractor to the Client on a reimbursable basis. The services may be rendered in stages or on a regular basis.

"Contract" – an agreement of the Parties to establish, modify or terminate civil rights and obligations.

"Framework Contract" - (open-ended contract) an agreement of the Parties defining the general terms and conditions of the binding relationship between the Parties subject to these Terms and Conditions, which are supplemented by the Parties by signing separate Orders.

"Order" - a document containing the scope of the Services to be rendered by the Contractor to the Client, the term and schedule (period) of rendering the Services, as well as the cost of the Contractor's Services. The Order signed by the parties becomes an Appendix to the Framework Contract and the basis for the Contractor to render the Services. Each separate Order is a separate transaction between the Parties for each case of the Services Order.

"Contractor's rules of business trips" - the document specifying the reimbursement of travel expenses, unless otherwise specified in the contract.

3. SCOPE OF SERVICES

The Parties shall define the scope of the Services, as well as their stage or regularity, to the extent sufficient to provide the Services in the Contract (or Order).

Any changes, additions, exceptions to the scope of Services shall be fixed by the Parties within the framework of additional agreements or within the framework of separate Contracts (or Orders).

4. TERMS OF SERVICES RENDERING

The term of rendering, as well as the schedule (period) of rendering the Services shall be determined by the Parties in the Contract (or Order).

The terms of rendering the Services are automatically prolonged by the terms of the Client's delay in transferring the initial data and/or payment, as well as for reasons beyond the control of the Contractor, which the Contractor cannot really influence and which the Contractor could not reasonably foresee, and at the same time they do not allow to fulfill the obligations under the Contract (or Order), and the occurrence of which was not a direct or indirect result of the Contractor's action or inaction.

The date of rendering the Services shall be the date when the Contractor transfers the reporting documentation for acceptance to the Client.

5. SERVICES DELIVERY DELAYS

If the Parties have agreed in the Contract (Order) on certain stages of rendering the Services, or the date of completion of rendering the Services, and the Contractor exceeds the specified term (terms) completely through its own fault, the Client is entitled to claim liquidated damages.

The amount of liquidated damages is 0.3% of the payment for the specific delayed stage, for each full calendar week of delay.

The total compensation of the delay loss shall be limited to 5% (five percent) of the full cost of the Services provided by the Contractor under the Contract (or Order), but may not exceed 100% of the cost of the Services for a particular delayed stage.

This obligation falls entirely on the Contractor and is the only means of compensating the Client for delays in rendering the Services.

6. SERVICES ACCEPTANCE

Upon the fact of rendering the Services (for the relevant stage or regular Services), the Contractor shall provide the Client for acceptance the reporting documentation in the scope in accordance with the Contract (or Order) in electronic form.

The Client within 10 (ten) working days shall perform the acceptance of the Services, sign the act of acceptance or notify the Contractor in writing of any defects in the provision of the Services (motivated refusal), the responsibility for which he assigns to the Contractor within the terms and conditions of the Contract (or Order).

The term for correction of defects shall be fixed by the Parties additionally, but may not exceed the period of rendering services under the corresponding stage. After correction of defects the reporting documentation shall be sent to the Client in electronic form for the re-acceptance.

Re-acceptance shall be performed by the Client within ten (10) working days.

Upon expiry of the deadline for the acceptance of the Services and in the absence of a motivated refusal, the Services shall be deemed automatically accepted and shall be subject to payment.

The Client shall send to the Contractor a scan of the signed act of acceptance with the date of signing.

Further the Contractor shall send to the Client the originals of the act of acceptance certificate, invoice for payment, invoice.

The necessity of submission of original reporting documents and their quantity shall be determined by the Parties in the Contract (or Order).

The originals of the reporting documentation (if required in accordance with the Contract (or Order)) shall be sent to the Client after signing the act of acceptance within the terms specified in the Contract (or Order).

Upon agreement of the Parties (without signing of an additional agreement) partial acceptance of the rendered Services is possible.

When using Electronic Document Flow (hereinafter referred to as EDF) systems, the procedure of document exchange is defined by the Parties in the Contract (or Order).

7. DEFECTS IN SERVICES

If any defects are discovered during the acceptance of the Services, the Client shall immediately notify the Contractor in writing of any claims regarding deficiencies and defects in the provision of the Services so that the Contractor can take immediate measures to remedy them.

In case of defects detected after the acceptance of the Services, which can be detected by the normal method of acceptance or for which special methods of control have been defined, the Client shall immediately notify the Contractor in writing of any claims regarding deficiencies and defects in the provided Services so that the Contractor can take immediate measures to eliminate them within the Contractor's liability period (warranty period).

8. PAYMENT FOR SERVICES

For the rendering of the Services, the Client shall pay remuneration to the Contractor in accordance with the terms of the Contract (or Order) for payment.

Payment of the advance payment shall be made by the Client within 10 (ten) working days after signing the Contract (or Order) for rendering the Services.

The amount of the advance payment is determined by the Parties in the Contract (or Order).

Payment for the rendered Services shall be made by the Client within 15 (fifteen) working days after signing of the act of acceptance by the Parties or from the moment when the Services are considered accepted.

VAT shall be charged separately on the invoice.

For overdue payments, interest shall be accrued in the amount of the refinancing rate established by the Central Bank of the Russian Federation (or the Contractor's country of location) plus 10 (ten) percentage units.

The Contractor's travel expenses shall be paid by the Client additionally in accordance with the Contractor's rules of business trips.

Tickets, accommodation, travel to the place of service rendering shall be paid by the Client at the actual costs of the Contractor or provided by the Client. All other costs related to the Services, such as copying, specialized software, etc., are subject to prior approval by the Client in the respective Order.

9. TAXES

The cost of the Contractor's Services is determined without taking into account any direct or indirect taxes, duties, fees, bank charges and similar costs. All such taxes, fees and costs shall be reimbursed by the Client in addition to the cost of the Contractor's Services under the Contract (or Order).

The Parties agree to cooperate in good faith in the resolution of all subjects and issues relating to withholding taxes, including, but not limited to, cooperating and communicating with the tax authorities on behalf of the other Party in the case of erroneously collected withholding taxes, and cooperating in the submission of any tax forms or information to the tax authorities.

10. CLIENT'S GENERAL OBLIGATIONS

The Client shall immediately provide the Contractor with all information and other data necessary for the Contractor to render the Services in accordance with the Contract (or Order).

The Client shall be obliged to accept and pay for the Services rendered by the Contractor.

When rendering the Services on the Client's territory, the Client is obliged to provide access to its territory, as well as to ensure the Contractor's safety in terms of occupational health and safety (OHS) when on the Client's territory.

11. PROFESSIONAL STANDARDS

The Contractor renders the Services in accordance with the professional standards ISO 9001:2015, ISO 1401:2015, ISO 45001:2018.

In case if during one (1) year after completion or termination of the Contractor's Services, it is demonstrated that the Contractor's Services did not meet such standards, and the Client has promptly notified the Contractor of such noncompliance in writing, the Contractor will take corrective actions within the original scope of the Services in such amounts as are necessary to bring the Services up to the level of such standard.

This obligation falls entirely on the Contractor and is the exclusive means of compensating the Client for the required quality of the Services.

The Contractor assumes no warranties (express or implied) and assumes no responsibility for the cost estimates performed by Contractor; and, makes no process warranty for the modification, operation, availability, or performance of Client's facilities or those of other end users.

12. CONSTRUCTION REVIEW

Construction review and monitoring services provided by the Contractor do not give rise to any warranty or guarantee excepting cases directly named in the Contract (or Order) as author supervision and/or construction supervision according to the legislation of the Russian Federation.

Construction contractors retained by the Client shall be fully responsible for the quality of their own work and for adhering to the plans and specifications.

The Client shall be solely responsible for the supervision and management of the work forces of the constructors, including the means, methods, techniques, sequences or safety procedures employed by them to complete the work.

13. CHANGES AND ADDITIONS

Any agreed upon schedule, completion date, price and/or maximum cost shall be equitably adjusted to reflect (1) the addition to, modification of or deletion from Services; (2) the discovery of any subsurface or other conditions which differ from (a) those shown in or reasonably inferable from Contract, (b) those ordinarily encountered and generally recognized as inherent in work of the type contemplated herein; (3) change in the applicable law or in the interpretation thereof, which increases the cost of or time required for performing Services; (4) delay or suspension of, or interference with the Services by the Client or by any other entity; (5) a modification to or delay in providing design criteria, decisions or other information needed by the Contractor; or (6) any increase in the Contractor's costs or in the time required for completion of the Services due to a Force Majeure event as defined in section 26 hereof, or any other cause beyond the Contractor's reasonable control. If the Client requires changes to be made by the Contractor to the content of the Services; or the use of methods, materials and constructions objected to by the Contractor in writing, the Contractor shall have no liability for damages, losses or delays arising out of such causes.

14. INDEPENDENT CONTRACTOR

The Contractor shall, for all purposes, be deemed to be an independent Contractor and nothing in the Contract shall be construed to make the Contractor the agent, employee or subordinate of the Client. The Contractor shall have control over and be responsible for the means and methods for rendering the Services.

15. RECRUITMENT

In case of entering into an employment relationship or entering into any similar contract with a current employee of the Contractor, working under an employment contract with the Contractor, within 6 months after the completion of the Services provided for in this Contract (Order), the Client shall pay to the Contractor additional compensation in the amount of 1 000 000 (one million) rubles.

16. PROJECT TEAM

To render the Services, the Contractor shall appoint persons as members of a team (hereinafter referred to as the "Project Team"), the Contractor shall use its best efforts to ensure that the same persons actually provide the Services.

The Contractor may replace the members of the Project Team with other employees with equal or similar skills.

17. ASSIGNMENT AND SUB-CONTRACTING

The Contractor has the right to engage contractors and subcontractors to render the Services.

The Contractor's responsibility with regard to the Services remains unchanged, and from the Client's point of view all Services are rendered exclusively by the Contractor.

The Client is not entitled to transfer its rights or obligations under the Contract to a third party without the prior written authorization of the Contractor.

18. INTELLECTUAL PROPERTY RIGHTS

The intellectual property rights to all drawings, specifications, database and other material supplied by the Contractor to the Client pursuant to the Contract (or Order) shall rest with the Contractor. The Client undertakes to use the information contained in the intellectual property exclusively and only for the purposes agreed in the Contract (or Order). The Client undertakes not to disclose this information to other parties for any other purpose without prior written authorization from the Contractor. The Contractor shall not be liable for unauthorized use of such information.

19. PUBLIC LIABILITY

Each party shall indemnify, defend and hold the other Party harmless from all claims, liabilities and causes of action for bodily injury to and/or death of any person and/or loss of, damage to and/or destruction of third-party property, if and to the extent caused by the negligent acts or omissions of the indemnifying party.

20. PROFESSIONAL LIABILITY

The Contractor shall be liable to the Client for errors, omissions and professional negligence of the Contractor in performing the Services in accordance with the Contract, which have caused the Client documented direct damage.

If within 1 (one) year after the completion or termination of the provision of the Services by the Contractor, or earlier than this period, it is proved that there are defects in the Services rendered by the Contractor and the Client immediately notified the Contractor in writing of such defects, the Contractor at the Client's request undertakes to correct the defects found in the Services free of charge and, accordingly, if necessary, to render additional Services.

This obligation falls entirely on the Contractor and is the exclusive means of compensating the Client for the deficiencies detected and therefore, if the Contractor corrects the deficiencies in the Services, the Client is not entitled to additional compensation or compensation for damages and/or losses.

21. LIMITATION OF LIABILITY

In no event shall the Contractor's total liability in respect of the performance of the Contract (or Order) (including any breach thereof) or rendering of the Services exceed (a) the amount of the total payment (excluding direct costs) paid to the Contractor for the Services if the Order amount does not exceed 10,000,000 roubles; or (b) 10,000,000 roubles plus 10% (ten percent) of the part of the total payment (excluding direct costs) paid to the Contractor for the Services that exceeds 10,000,000 roubles in case the Order amount is RUB 10,000,000 or more.

The Contractor shall not be liable in any way for any indirect or consequential damages, including those resulting in damage or loss of property, lost profits or other income, interest income, productivity, as well as causing increased costs, or business interruption, even if such damages could have been caused by the performance of the Contract or provision of Services. In addition, the Contractor shall not be liable for damages caused by causes or circumstances not related to the Contractor or beyond the Contractor's competence.

22. LIABILITY PERIOD

The liability of the Contractor under or in relation to the Contract or Services shall in all cases expire after one (1) year has elapsed from the date of acceptance of the Services or from the date when the Services are deemed accepted as set out in Section 6 hereof.

All claims to the Contractor shall be presented immediately upon detection, however, before the expiry of the liability period.

23. INSURANCE

To ensure professional liability when rendering Services in accordance with the Contract, the Contractor shall insure damage from professional activities related to works on engineering surveys, on elaboration of proekt documentation, on construction, reconstruction, capital repair of capital construction objects, which have an impact on the safety of capital construction objects in accordance with the legislation of the Russian Federation.

The Contractor's liability for damages caused by errors, omissions or other professional negligence is limited by the provision of Section 21 of these Terms and Conditions only to the extent of the terms and extent of the professional liability insurance.

24. LIABILITY AND INDEMNITIES

All rights, obligations, liabilities and indemnities payable by the Parties to each other arising out of or relating to the Contract (including any breach thereof) shall be determined solely by the provisions of the Contract and the provisions of applicable law.

25. SUSPENSION AND TERMINATION

Parties may suspend or terminate the Contract at their convenience upon thirty (30) working days' prior written notice to other Party.

The Contractor may suspend or terminate the Contract if payments are twenty (20) working days or more overdue, or the Client or other project participants have delayed or neglected to fulfill their obligations thus preventing the proper rendering of the Services by the Contractor and such default has not been corrected within twenty (20) working days of the written notice to the Client, or the Client has requested to deviate from applicable laws and regulations, professional standards as described in section 11 hereof or the working ethics of the Contractor.

In addition, the Contractor may terminate the Contract by written notice to the Client upon the occurrence of insolvency or bankruptcy of the Client, or by being a debtor in a legal dispute or bankruptcy proceeding of the Client, or upon the assignment of all of the Client's property for the benefit of creditors, or upon a material breach of the Contract by the Client and failure to correct or take reasonable steps to cure the breach within twenty (20) working days after the receipt of written notice thereof.

Under any conditions of suspension or termination of the Contract, the Client shall compensate the Contractor for the costs incurred and pay the payments due for the work performed until the date of termination of the Contract, after which neither Party shall have any further liability to the other Party.

26. FORCE MAJEURE

The Parties shall not be liable for delays or failure to fulfill obligations, except for those related to monetary payments, if such delays or failure to fulfill obligations are caused by force majeure circumstances (force majeure), which are beyond the competence of the Parties and could not be prevented by taking appropriate measures by the respective Party.

Certifying force majeure circumstances (force majeure) is carried out by executing and issuing a Certificate of Force Majeure by the Chamber of Commerce and Industry of the Russian Federation.

In case of force majeure circumstances, the term of fulfillment of obligations under the Contract (or Order) shall be extended for the term of the force majeure circumstances and their consequences.

If force majeure circumstances (force majeure) prevent one of the Parties to fulfill its obligations for a period exceeding 3 months, or if after their occurrence it becomes clear that they will last more than 3 months, either Party may send a notice to the other Party with a proposal to negotiate in order to determine mutually acceptable terms of fulfillment of obligations under the Contract (or Order) or termination of its validity.

27. CONFIDENTIALITY

During the period of validity of the Contract (or Order) and within one year after its termination, the Parties shall not have the right to disclose orally or in writing to third parties without prior written consent of the other Party any information related to technical and commercial details of the Contract (or Order) and provision of the Services, except for information the disclosure of which is prescribed by law, mandatory rules or other similar legal regulations.

Notwithstanding the foregoing, the Contractor and its affiliates shall be entitled to describe the Services and/or project by name and in general terms, including scale, type and size, and to include the Client's name in their own qualification, advertising and reference materials. These materials will not disclose details of the project that contain private process or commercial secret, but may include information that is published or, in one way or another, publicly available.

28. APPLICATION OF TERMS

If any part of the Contract (or Order) is held invalid or unenforceable, the remaining parts of the Contract (or Order) shall remain in full force and effect.

And so the Parties agree, in a spirit of cooperation, to coordinate their actions in order to ensure, on fair terms, the fulfillment of the Parties' intentions as defined in the Contract (or Order).

29. GOVERNING LAW

The applicable law for the performance of the Contract (or Order) and its interpretation shall be the current legislation of the Russian Federation.

30. SETTLEMENT OF DISPUTES

All disputes, disagreements, claims or demands relating to the rendering of Services under the Contract (or Order) or in connection therewith, including those concerning performance, breach, termination or invalidity, shall be settled in the Arbitration Court of St. Petersburg and the Leningrad Region.

31. LANGUAGE PREVALENCE

All notices, correspondence and official documentation related to the rendering of Services under the Contract (or Order) shall be drawn up by the Parties in Russian, unless otherwise provided by the Contract (or Order).

If the Contract (or Order), notices, correspondence and official documentation are drawn up in two or more languages and each of its texts has equal force, then in case of discrepancy between the texts the Russian language shall prevail.

32. NOTICES

All notices, correspondence and official documentation related to the rendering of Services under the Contract (or Order) shall be recorded by the Parties in writing and shall be valid when delivered by mail to the official addresses of the Parties or via EDF.