

**A. General Principles**

1. These General Terms and Conditions apply to a variety of services offered by Pacific Business Solutions (China) (太平洋电信股份有限公司, collectively "PBS") (collectively "Services" and each, a "Service"), unless otherwise agreed by PBS and Customer (collectively "One Party" and both, "Parties").
2. In addition to these General Terms and Conditions, Parties will execute (i) one or more Order Forms for the Service(s) which is necessary for the execution; (ii) Specific Terms and Conditions & Service Level Agreement if any applicable to the Service(s) Customer is purchasing; and (iii) Supplementary Agreement if any agreed and executed by Parties for the Service(s), all of which are referred to as the "Agreement" hereinafter. In the event of any discrepancies between the above parts of the Agreement, the following order of precedence will apply:
  - i. (highest precedence) Supplementary Agreement(s);
  - ii. Order Form(s);
  - iii. Specific Terms and Conditions & Service Level Agreement;
  - iv. (lowest precedence) General Terms and Conditions.
3. If Customer would like to make modifications to the existing service or place orders for additional services, Parties shall enter into an additional Order Form. Unless otherwise agreed by Parties, these General Terms and Conditions shall automatically apply to the new Order Form. Unless the different type of service is purchased, the Specific Terms and Conditions & the Service Level Agreement shall automatically apply to the new Order Form.
4. In the case that Customer places new order for making modifications to the existing service, Customer shall fill all details of the modified service in the new Order Form. The service term of the new order shall not be less than one year. Upon execution of the new Order Form, the previous Order Form shall become void automatically.

**B. Effect and Term**

1. The Agreement will take effect upon the effective signature or stamp by both parties. Neither Customer nor PBS shall be entitled to terminate, dissolve or revise the Agreement without legal or agreed excuse after the effective date of the Agreement (including before or after the Service Commencement Date).
2. Parties must specify a service term for each Service in the Order Form. If no service Term is specified, the service term will be one year. The service term will commence since the service is both activated and billed.
3. Upon completion of the service term, Parties shall negotiate to renew or terminate the Agreement with at least forty-five (45) days prior to the expiry date of the service term. If Parties agree to renew the Services, Parties could choose to execute a new Order Form for the renewing; If Customer disagrees to renew the Services, Customer should raise the termination requirement as per Clause G.2 of this General Terms and Conditions; If Customer or PBS neither

raise the termination requirement before the aforesaid time, nor execute a new Order Form for the renewing before the aforesaid time, the Agreement will automatically renew for 12 months upon the expiry date in the successive periods. Unless otherwise agreed by Parties, any and all terms and conditions of the previous order shall automatically apply to the new order.

**C. Charges and Payment**

1. Service fees and charges (inc. tax) shall be specified in the Order Form(s), no rise or reduction shall take effect unless otherwise agreed by both Parties in writing. But if any taxing or governmental authority adjust the taxes or fees which resulting from the existence or operation of Agreement or otherwise relating to the Services, and accordingly lead to the increase of PBS cost, then PBS is entitled to adjust the Service fees and charges with the same increase as such taxes and fees.
2. The currency of the Service fees must be specified in the Order Form. If no currency is specified, the currency shall be RMB Yuan.
3. Customer shall pay the one-off charge (such as the set-up fee and so on) which is specified in the Order Form to PBS in the first week after the Order Form is executed. If Customer fails to pay the one-off charge in time, PBS may refuse to activate the Service or suspend the Service if the Service is already activated.
4. The billing cycle may be monthly, or yearly, which shall be subject to the Order Form. Unless agreed by both parties, the billing cycle should be calculated from the Service Commencement Date. Two rules for payment time of billing cycle as below:
  - i. For fixed fees, the due day of paying the recurring charges is the fifth day of each billing cycle.
  - ii. For flexible fees, the due day of paying the recurring charges is the fifth day of next billing cycle after the service is already activated.
5. For Product(s) charged according to the actual traffic (including but not limited to flexible traffic), the basis of billing for such Product(s) should be the data provided by the billing system of PBS.
6. Customer shall ensure that the net amount it pays to PBS's bank account is equivalent to the invoiced amount. PBS shall not be liable for any bank charges or other fees arising from such payment by Customer.
7. If any service provided by PBS relate to extra costs such as the relevant fees of real estate and wiring. Customer shall be liable for such fee and shall support the operator on the work of construction and coordination in the building.
8. Customer shall pay PBS all bill in time, including but not limited to one off charge, recurring charges and any other fees as showed in the contract.
9. PBS may (but not be obligated to) issue invoice in advance to Customer so as to facilitate the arrangement of payment

by Customer. Customer agree that invoice should not be the payment voucher.

**D. Rights and Obligations of Customer**

1. Customer is entitled to receive the service as agreed and to inspect PBS when it supplies the service. Once any service fault happened, Customer shall have the right to notice PBS and request PBS to offer the technical support and maintenance service.
2. Prior to the Service Commencement Date, if Customer would like to postpone the commencement for any or all service(s), Customer shall give PBS prior written notice and get PBS's written consent. PBS shall have the right to bill Customer for any charges or expenses (if any) incurred by PBS as a result of the rescheduling which shall include, without limitation, local access fees and construction cost. Upon the expiration of the postponed period agreed by PBS and Customer still rejects to activate the Service, PBS has the right to terminate the Service and Customer shall be liable for breach in accordance with Article H.
3. Customer has the right to conduct the service inspection upon receiving the service completion notice from PBS, and argue to the contrary if any.
4. If Customer requests to cancel the Service before the Service Commencement, Customer should take the same liability as of early termination. Customer shall be liable for breach in accordance with Article H. In the meanwhile, Customer should compensate the fees and costs (if any) incurred to PBS due to the commencement scheduling.
5. After the service commencement, if Customer requests to reduce the bandwidth or make other modifications and thus requests to reduce the service fees and charges, Customer should acquire the written consent from PBS.
6. Customer undertakes to provide PBS with necessary assistance and coordination for the provision of the Service. If Customer refuses to assist or coordinate with PBS where necessary, PBS will not be responsible for the consequences arising from such in-coordination of Customer.
7. If Customer provides any third party with internet content services which are accessed through PBS's network, Customer must notify PBS of such services in advance, and acquire relevant ICP license or ICP registration approval from the authorities according to the laws and regulations. If the registration information of Customer changes, Customer shall notify PBS promptly, and updates the information registration. If Customer fails to acquire the ICP license, or fails to make ICP registration approved or update the information of ICP registration, PBS shall have the right to suspend the service; if any illegal and harmful information exists in the internet content of Customer or anything of Customer's website violates the relevant laws or regulations, PBS is entitled to assist the authorities to make any survey on the Customer, In the meanwhile, PBS shall terminate the service. If the Customer breaches this Clause and result in any loss to PBS, Customer shall be liable for the corresponding compensation
8. Customer shall take safety protections on the computer information systems it is using according to the laws and regulations of China, including but not limited to install the licensed products special for the safety of computer information systems, and to avoid delivering any illegal and harmful information.
9. According to the Clause 12 of *MEASURES FOR SECURITY PROTECTION ADMINISTRATION OF THE INTERNATIONAL NETWORKING OF COMPUTER INFORMATION NETWORKS* (No. 33 of the Ministry of Public Security), Customer shall go through the formalities for the record at the processing agencies designated by the public security organs of people's governments of the provinces, autonomous regions and municipalities directly under the Central Government wherein the Customer are located within 30 days starting from the date of formal hooking up of the network. Customer must also report in a timely manner to Public Security Organization any changes about using the network. If Customer fails to go through the formalities, PBS shall have the rights to ask Customer to make rectification, and PBS can suspend or terminate the service.
10. To the extent that PBS has agreed to provide any network terminating or other equipment in connection with the Service for free or on lease, Customer must:
  - i Acknowledge that title to any equipment placed by PBS or its subcontractor on Customer's premises in connection with the Service remains with PBS or such subcontractor.
  - ii Keep the equipment safe and in good condition (making allowance for fair wear and tear), or otherwise if there is any damage or loss, purchase and reset the equipment of equal level for PBS or compensate PBS for its loss subject to the marketing value of the equipment of the equal level.
  - iii Hold PBS harmless for any interruption of or inability to use the Service where such event is caused by Customer's failure to comply with any of the foregoing.
  - iv Upon termination of the Service or the Agreement for whatever reasons, make available all equipment for removal or return to PBS or its subcontractors. If Customer fails to return the equipment to PBS within ten(10) days upon termination of the Service, PBS is

entitled to claim for the loss according to the re-purchasing price of the equipment.

11. If any equipment owned or managed by Customer is hosted at PBS's data center for the provision of the Service, Customer shall remove such equipment within ten (10) days after the Service termination, provided however that PBS may enforce a lien on the equipment against any outstanding amount payable by Customer upon termination. If such equipment is not removed in time by Customer upon termination, it will be deemed that Customer has abandoned the equipment and PBS is entitled to deal with the equipment at its will. If customer does not pay off all the existing debt to PBS at the time of service termination, PBS is entitled to lien the customer's equipment. If customer fails to pay off all the existing debt within two months from the date of overdue payment, PBS is entitled to excise the lien.
12. Customer may permit third parties to use the Service, subject to the following conditions: (i) no such third-party use will lessen or modify Customer's obligations under this Agreement; (ii) use of the Service by third party must comply with this Agreement and all applicable laws. Customer must, and hereby agrees to, indemnify, defend and hold harmless PBS for and from all liabilities and costs arising from such third party use.
13. Customer may not use the Service or permit third party using it through Customer to do so in a manner which:
  - i violates any applicable law, regulation, or any other normative documents;
  - ii violates the acceptable practices and usages of any networks, equipment or services which are accessed through PBS's network;
  - iii describes the equipment which are provided by PBS and exercise any other illegal operation;
  - iv lends the equipment which are provided by PBS to any other third parties without consent of PBS, or exercises the equipment for any other uses;
  - v infringes the intellectual property rights of any third party via the service of PBS;
  - vi is fraudulent, deceptive, or misleading;
  - vii Involves illegal or unauthorized access, exploitation, interruptions or monitoring.If PBS receives any letter of complaint or any material which reflects that Customer has breached Item v of this clause, PBS has the right to ask Customer to stop the infringing acts immediately and/or suspend the relating Service without any notice. If the infringing acts prove true, PBS has the right to terminate the Service, and Customer shall be liable for breach in accordance with Article H and compensate for other losses and damages if any. If Customer violates other items of this clause, PBS has the right to suspend or terminate the Service immediately and ask Customer to compensate all the losses and damages if any.
14. Customer understands that the following may incur adverse impact on the PBS service, PBS will not be

responsible for the consequences resulted by the following issues:

- i. any error operations of Customer, or any fault of the equipments which belongs to or provided by Customer;
- ii. any overload of the network when it is used by Customer;
- iii. any fault of the local area network of Customer;
- iv. the accessed equipment is removed by Customer or the network breaks down through other ways due to Customer;
- v. any network fault of basic telecom carriers;
- vi. any fault of the services which is purchased by Customer through third party and connect with the services provided by PBS;
- vii. any fault resulted by force majeure;
- viii. any fault caused by the technological deficiency which could not be settled by the current level of technology;
- ix. any regular maintenance by PBS and PBS has already notified Customer in advance;
- x. any suspension acquired by Customer or executed by PBS due to the breach of this Agreement by Customer.

#### **E. Rights and Obligations of PBS**

1. PBS shall supply the service to Customer as agreed, and conduct service training on the employees of Customer if necessary.
2. Service delivery is subject to PBS's standard. The service delivery intervals may change according to the applicable conditions. Although PBS will use reasonable efforts to install the Service on or before the request ready for service date, PBS's inability to do so or to meet any other target date will not constitute a breach by PBS under the Agreement.
3. PBS shall issue a letter of confirmation to Customer after the proper installation and the confirming test performance upon the standard of project acceptance. The signature of the contact person appointed by Customer to the service completion letter would be deemed to be the service confirmation and acceptance of Customer. If Customer does not sign in the letter of confirmation within 3 working days after receiving the letter, and could not give enough proof to prove that the Service PBS supplies to Customer is not in compliance with the agreed terms, then the service commencement date shown in the letter of confirmation would be treated as effective service commencement date.
4. PBS provides a coordinated, single point of contact maintenance function for Customer on a 24\*7 basis. The service interruption resulting from the maintenance shall not be deemed as the service fault.

5. PBS must not destroy or interfere the service supplied to Customer without any agreed or lawful excuse. And PBS must not interfere the content delivered by Customer via the platform of PBS and illegally obtain the confidential data and information of PBS. Meanwhile, PBS shall do its best to coordinate Customer to repair the service damage caused by the misconduct of Customer.
6. If Customer fails to pay any charges within thirty(30) calendar days from the due date, or Customer fails to comply with any other important provisions of the Agreement, PBS shall be entitled to terminate or temporarily suspend all of the Services or just the Services that are the subject of the default. In the event of PBS suspending a Service as per this clause, charges will continue to accrue during the period of suspension. If PBS is keeping the service equipment of Customer in PBS's facilities when it terminates or suspends the service, PBS is entitled to have a lien on such equipment.
7. If PBS shall not be able to provide the Services (or any part thereof) due to force majeure events or reasons such as restrictions imposed by the new published law, and government's regulations or stipulates, Customer hereby authorizes PBS to apply and obtain (in Customer's name) the relevant part of the Services from the affiliates or the cooperative partners of PBS. In connection with the above, PBS shall have the right to collect fees for that part of the Services on behalf of its affiliates or its cooperative partners. Customer must cooperate with PBS in acquiring services. Customer shall pay such service fees to PBS according to the order forms registered in PBS, and the other obligations of Customer shall refer to this Agreement.
8. PBS may assign or transfer the Agreement to the affiliates or the cooperative partners of PBS, provided that PBS shall remain liable for the performance of any of its subcontractors, and PBS guarantees that the service provided to Customer will not be adversely affected because of such assignment or transfer. Parties agree that they will execute all documents and do all such acts reasonably which is necessary to give effect to this Clause.
9. Upon the request of the Customer, PBS may obtain the local circuit from a local telecommunication operator for the use of the Service on behalf of the Customer. The Customer shall pay all fees related to the Service directly to PBS, including but not limited to all charges levied by the local telecommunication operator for the local circuit and any other Service or equipment provided by the local telecommunication operator. The Customer shall avoid or indemnify PBS against any liability to the local telecommunication operator in respect of its dealings with the local telecommunication operator in relation to the provision of the local circuit.

**F. Confidentiality**

1. From the Effective Date until the expiration of five years following the termination of the Agreement, a Party receiving ("Recipient") information marked or otherwise reasonably understood to be confidential or proprietary of

- the disclosing party (hereinafter "Information") must keep confidential and not disclose without the disclosing Party's consent the Information received, and will use the same level of care with respect to the Information as the Recipient employs with respect to its own confidential or proprietary information. For purposes of maintaining the confidentiality of this Agreement, both Parties will be Recipients of the Information contained therein.
2. Notwithstanding the above, Information will not be deemed confidential and Recipient will have no obligation with respect to any Information which (a) is already known to Recipient from legal channel, (b) is or becomes publicly known through no negligent or wrongful act of Recipient, (c) is received by Recipient from another source without similar restriction and without breach of this Agreement, or (d) is furnished to a third Party by the disclosing Party without similar restrictions on the third party's rights.
3. If Recipient receives lawful process requesting or requiring it to disclose any Information, Recipient will promptly notify the disclosing Party in order that the disclosing Party may seek an appropriate protective order, or consent to the release of the Information. Nonetheless, such notification shall not affect the recipient's obligation to disclose the information to the authorities according to the requirement of authorities or the obligations of laws.
4. To the extent PBS collects any personal data in the administration and operation of the Agreement, such data will be considered information subject to this Clause.
5. PBS will be permitted to process information received from Customer for the purposes of the administration and operation of the Agreement and the provision of the Services. Such processing may also include storage of information in PBS's database.

**G. Termination**

1. The Service or Agreement is terminated as per the following,
  - i. Parties unanimously agree to terminate the Service or Agreement by consensus.
  - ii. Parties agree not to renew the Agreement upon its expiry.
  - iii. One Party is forced to terminate the Service or Agreement when the other Party has severely breached the Agreement.
  - iv. One Party is entitled to terminate the Agreement if any proceeding in bankruptcy or liquidation is commenced by or against the other Party, save restructuring, separation, merger, the change of the name of the other Party, and so on.
2. Whenever Customer terminates the Agreement, including prior to or upon the expiry of the Term, Customer shall send the original sealed and chopped "Termination Application Form" to PBS and email the scanning copy of sealed and chopped "Termination Application Form" to the email address of [sop@telstra-pbs.cn](mailto:sop@telstra-pbs.cn). Customer should send it

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to PBS 45 days in advance. The Term includes the initial term and the renewing term.

3. Whenever Customer requests to terminate the Agreement, no matter the requested end of service day is prior to the expiry of the Term, or it is exactly on the same date as the expiration date of the term, Customer shall send the application email to the [sop@telstra-pbs.cn](mailto:sop@telstra-pbs.cn) mail box with the sealed and chopped scanning copy of "Termination Application Form". If the mail box has received the sealed and chopped "Termination Application Form" on a day that is no less than 45 days in advance of the termination day requested in the "Termination Application Form", the date of service termination and end of the billing will be the day requested in the Customer's application form. Otherwise, the date of service termination and end of the billing will be 45 days after the "Termination Application Form" is received by the [sop@telstra-pbs.cn](mailto:sop@telstra-pbs.cn) mail box.
4. If Customer requests to cancel any or all of the Service before its commencement date, it will be deemed as early termination. Customer shall perform procedures of early termination in accordance with Clause G.2 of this General Terms and Conditions and acquire PBS's written consent. Under this circumstance, except that Customer should be responsible for the charges which has already occurred for service commencement, Customer should also undertake the Liability for breach in accordance with Clause H of this General Terms and Conditions.

### H. Liability for breach

1. If customer delay any payment which is on due, PBS is entitled to press Customer to pay, and requires Customer to pay delay penalty equals to 3‰ of delayed payment per day.
2. Liability for breach of termination in advance
  - 1) Customer is not entitled to terminate the part of or all service(s) during the initial period for any reasons. If Customer need to terminate the part of or all service(s) due to customer's reason, Customer should pay all monthly service(s) fee of remaining month(s) of the initial period as the termination penalty charge. The Customer reasons include but not limit to:
    - (a) Customer delays the payment of the service charge for more than 30 days.
    - (b) Customer cancels or terminates any or all Service(s) and such cancellation or termination breaches the provisions of the Agreement;
    - (c) Customer violates any provision of this Agreement or other applicable laws and regulations and consequently cause the Agreement terminated.

- 2) After the initial term, if the Service(s) is/are terminated or partially terminated as per the following reasons during the renewal term, Customer should pay the early termination penalty charge to PBS. The Penalty is equivalent to [3-month MRC]. (Monthly Recurring Charges)The reasons include but not limit to:

- (a) Customer delays the payment of the service charge for more than 30 days.
- (b) Customer cancels or terminates any or all Service(s) and such cancellation or termination breaches the provisions of the Agreement;
- (c) Customer violates any provision of this Agreement or other applicable laws and regulations and consequently cause the Agreement terminated.

- 3) If Customer terminate the service on the expiry of the term(including initial term or renewal term) in accordance with the Clause G.3 of this General Terms and Conditions and fulfill the corresponding obligations of this General Terms and Conditions, the customer shall not be liable for the termination penalty.

3. Customer shall pay PBS for all the service charges and penalties no later than 10 days after the termination of the service.

### I. Dispute Resolution

Both parties shall first negotiate mutually to resolve the dispute arising from or relating to this contract. If both parties fail to negotiate in good faith, any party can submit the dispute to the Shenzhen Court in PBS's place, and the reasonable fee including but not limited to the litigation cost and attorney fees should be charged by the losing party.

### J Governing Law

For the contract and the disputes related to the contract, both parties shall first settle through negotiation. If both parties fail to settle through negotiation in good faith, either party may submit the dispute to the people's court where PBS is located for prosecution, and the losing party shall bear the legal costs, attorney fees and other reasonable expenses.

### K. Miscellaneous Clause

#### 1. Exemption Events

Neither Customer nor PBS may be held responsible for any delay or failure in performance of any part of the Agreement if and to the extent that it is caused by acts of God or nature (including wild animals), war or war-like conditions, mob violence, acts or failures to act of any governmental authority, hijack, virus and technical adjustment of the infrastructure telecom operators, breakage of the telecom circuits or the power circuits by the others, installment/alteration/maintenance of the telecom/power resources by the infrastructure telecom

operators or the power departments, changes of the laws, regulations or the policies ,or any other events or circumstances beyond the reasonable control of the applicable party (“Exemption Events”). However, no Exemption Events will excuse Customer of its obligation to make any payments that are owed to PBS for Services delivered before the Exemption Events or that accrue due to Customer’s continued use of the Services thereafter. Each party shall give the other party immediate notice of such Exemption Events and their possible impacts on this Agreement or the relating Service. The party claiming inability to perform its obligations due to Exemption Events shall provide proof or certificate issued by the surveying institute where the accident occurs as evidence. Except as otherwise required by law, the party receiving such notice has the right to decide whether to delay to perform all or any part of obligations, whether to exempt the notifying party all or any part of liabilities according to the effects of the Exemption Events on the performance of the Agreement. If any Exemption Event affecting a Party lasts for more than three months, either Party may terminate the affected Service upon twenty-four hours` prior written notice to the other Party. Neither party will incur any liability or other penalties in the event a Service is terminated under the previous sentence, except such Exemption Event occurred after the delay of performance or nonperformance.

2. Limitation of Liability

PBS would be liable for compensation for the default of PBS. Nonetheless, PBS shall be exempted from any indirect losses claimed by Customer, including but not limited to profit loss, the relevant loss due to data lost and the claims to Customer by Third Party.

3. Non-Waiver

Either party’s failure at any time to enforce any of the provisions of this Agreement or any right or remedy available hereunder or at law or equity, or to exercise any option herein provided will in no way be construed to be a waiver of such provisions, rights, remedies or options or in any way to affect the validity of this Agreement unless otherwise provided herein. The exercise by a party of any rights, remedies or options provided hereunder or at law or equity shall not preclude or prejudice the exercising thereafter of the same or any other rights, remedies or options. The waiver by either Party of any of the provisions of this Agreement or any breach thereof, shall not operate or be construed as a waiver of any subsequent breach of any such provision of this Agreement.

4. Customer notices

- 1) The Customer’s information in the Order Form must be true, or Pacific Business Solutions (China) is entitled to suspend or terminate the provision of service.
- 2) If any extra fee shall be imposed or charged on the execution or performance, including but not limited to real estate relevant fee(s) and wiring fee, Customer shall be liable for such fee(s) and support the operator on the work of construction and coordination in the building.

- 3) If the customer has orders the IPVPN service among multiply sites. When service commenced for the second IPVPN sites, PBS has the right to bill the service charging and start counting the period of service both for the first site and for the second site. PBS will collect the service charge and start counting the service period as for the respective actual service date of the other sites.
- 4) The customer of general taxpayer is liable to provide a soft copy of tax registration certificate and relevant documentary evidence to Pacific Business Solutions (China).
- 5) Whereas, the services hereunder may involve the rental costs of equipment, lines and other facilities provided by the upstream supplier, the customer understands and acknowledges that the third-party liquidated damages arising from the early termination of the services shall be the direct economic losses of PBS.

5. Execution

The Agreement will take effect upon the effective signature or stamp by both parties. This Agreement shall be executed in duplicates with each party holding one original which shall have the same legal effect.