



STS ASSOCIATION

The Standard Transfer Specification Association
(Company Registration # 2295/08496/08)



1 Fern Isle, 359 Pretoria Road
Randburg, Gauteng, South Africa
PO Box 868 Ferndale, 2160, South Africa
Telephone: +27 11 789 1384
Fax: +27 11 789 1385

LICENCE AND MEMBERSHIP AGREEMENT

SCHEDULE A REGISTRATION FORM

1. DATE OF APPLICATION

.....

2. NAME AND ADDRESS OF REGISTRANT

Full Name

Physical Address

Postal Address

Contact Person

Phone Number/s

Fax Number/s

e-mail

3. REGISTRATION IS FOR –

tick the appropriate box

Licence with membership

Complete all sections (1,2,3,4,5 and 6)
Applicable schedules: A, B, C, D

**Licence only
(no membership)**

Complete sections 1,2,3,5 and 6
Applicable schedules: A, B, C

See directives:

STS 2100-4 for licence holder Licensee Affiliate and membership rights

STS nnn for licence rights



4. CLASS OF MEMBERSHIP

- If you have selected licence with membership in section 3, then also complete this section (4).
- Founder members do not complete this section (4)

Indicate which Class(es) of membership this registration is for:
tick the appropriate box

<input type="checkbox"/>	Meter Manufacturer
<input type="checkbox"/>	Vending System Manufacturer
<input type="checkbox"/>	Secure Module Manufacturer
<input type="checkbox"/>	Key Management System Manufacturer
<input type="checkbox"/>	Key Management Service Provider
<input type="checkbox"/>	End User
<input type="checkbox"/>	Standards Organisation
<input type="checkbox"/>	Certification Authority
<input type="checkbox"/>	Sub-metering Vendor

Notes

1. Any person or entity that produces STS tokens for financial gain must be a Member of the STS Association – select a Licence with membership in Section 3 and select the Class of Membership in Section 4 above.
- 2.1. The Class of Membership selected above is only relevant to the election of Directors, as described in paragraph 15.6 of the Articles of Association. It does not limit the STS-related activities of a Member.
- 3.2. It is permissible for a Member to belong to the STS Association in more than one Class of Membership. This allows the Member to nominate and/or vote for Directors in more than one Membership Class.
- 4.3. Members in multiple Classes must pay the full membership fee in respect of each Class of Membership.
4. The STS Association reserves the right to allocate a Class of Membership if not indicated by the member on the License and Membership Agreement. The Class so allocated can be amended by agreement with the Member, failing which, the Class so allocated will be binding for all purposes pertaining to the Member's membership of the STS Association.



5. LICENCE TYPE

- If you have selected licence with membership in section 3, then also complete this section (5).
- If you have selected LICENCE ONLY (no membership) in section 3, complete this section (5).
- Founder members do not complete this section (5).

Indicate which Type of Licence this registration is for:

tick the appropriate box

<input type="checkbox"/>
<input type="checkbox"/>

Standard Licence

Sub-Metering Vendor Licence

Notes

1. Other than Government and State-owned entities, any person or entity that produces STS tokens for financial gain must be a Licensee Affiliate.
2. It is permissible to be a Member and a Licensee Affiliate – select Licence with Membership in Section 3 and select the Type of Licence in this Section (5).
3. It is permissible to be a Licensee Affiliate without being a Member – select Licence Only in Section 3 and select the Type of Licence in this Section (5).
4. Select only one type of Licence.
5. The STS Association reserves the right to allocate a STS Licence Type if not indicated by the Licensee Affiliate. The STS Licence Type so allocated can be amended by agreement with the Member, failing which, the STS Licence Type so allocated will be binding for all purposes pertaining to the Licensee Affiliate.
6. The permissible STS-related activities of Licensee Affiliates are set out in STS Association Directive – STS nnn.



6. SIGNATURES

Signed by the Parties hereto, acknowledging that they have read the terms and conditions of this Agreement, that they understand all such terms and conditions, that they agree to be bound by this Agreement and that the signatories hereto are duly authorised.

For and on behalf of Registrant

sign

print name

position / capacity

place of signature

date

Witness – sign

print name

For and on behalf of the STS Association

sign

print name

position / capacity

place of signature

date

Witness – sign

print name



SCHEDULE B

GENERAL TERMS AND CONDITIONS

This Schedule (Schedule B – General Terms and Conditions)
sets out the terms and conditions applicable to:
Schedule A – Registration Form;
Schedule B – General Terms and Conditions;
Schedule C – Licence Terms and Conditions; and
Schedule D – Membership Terms and Conditions
and is applicable to Members and Licence Holder/Licensee Affiliates.

1. Definitions

1.1 General

Unless otherwise indicated by the context, in this Agreement:

the following terms and expressions will bear the meanings assigned to them below;
terms and expressions defined in any clause or annexure of this Agreement will
bear the meanings assigned to them in these definitions; and
cognate expressions will bear corresponding meanings:

1.2 Agreement

the agreement constituted by Schedule A – Registration Form, to which this Schedule (Schedule B – General Terms and Conditions) is attached, the Schedules attached thereto and forming a part thereof including, where applicable, Schedule C – Licence Terms and Conditions and Schedule D – Membership Terms and Conditions and the annexures to these Schedules, as referred to therein and incorporated therein by reference



1.3 Affiliate(s)

a Member or Members or a Licence HolderLicensee Affiliate or Licence HolderLicensee Affiliates

1.4 Commencement Date

notwithstanding the date or dates of signature hereof, the Commencement Date of this Agreement is the date indicated on the cover page of Schedule A – Registration Form

1.5 Licence HolderLicensee Affiliate

a Member, in its capacity as a holder of a STS Licence or, in the case of a non-Member Licensee Affiliate, the registrant particularised in section 2 in Schedule A – Registration Form which has (if applicable) elected to be a Licence HolderLicensee Affiliate and not a Member by marking the block entitled “Licence only” in section 3 in Schedule A – Registration Form

1.6 Member

a Member of the STS Association or, if appropriate, the Affiliate registrant particularised in section 2 in Schedule A – Registration Form which has (if applicable) elected to be a Member by marking the appropriate block in section 3 in Schedule A – Registration Form

1.7 Membership

the Membership contemplated by Schedule D – Membership Terms and Conditions

1.8 Class / Class of Member(s) / Class of Membership

the Members of the STS Association are organised into Classes of Members, as determined in section 4, Schedule A – Registration Form and as amended by STS Association Directive from time to time

1.9 STS

the Standard Transfer Specification, a specification which sets out standards in respect of STS Products, and that is published by the STS Association in one or more versions, including the STS in its present form (as at the Commencement Date) as well as any and all future versions of the STS the Standard Transfer Specification and any and all versions of the STS published by the International Electrotechnical Commission (IEC)

1.10 STS Association

The Standard Transfer Specification Association, an association incorporated in terms of section 21 of the South African Companies Act (No. 61 of 1973) under South African Company Registration No. 95/08496/08

1.11 STS Association Directive

a document issued by the STS Association containing directions or decisions of the STS Association, including directions, rules or decisions pertaining to one or more of the STS, STS Products, the STS Association, STS Affiliates and the benefits and obligations of



affiliation and membership of the STS Association, each of which (a STS Association Directive) will be made available to all Affiliates or only to Members or only to certain Classes of Members, as the STS Association may determine and each of which (a STS Association Directive) may be amended or superseded by a STS Association Directive subsequently issued, in which event, all references to the earlier Directive will be to the Directive as amended or to the superseding Directive, as the case may be

1.12 STS Licence

a licence to gain access to and make use of the STS and the STS Intellectual Property in accordance with Schedule C – Licence Terms and Conditions

1.13 STS Product

any one or more of:

- a credit management system or device that utilises or incorporates the STS;
- an information management system or device that utilises or incorporates the STS;
- an encryption or decryption system or device that utilises or incorporates the STS;
- a device or system for dispensing or managing the distribution of a utility or utilities that utilises the STS;
- a device or system that generates, transports, receives or processes credit or other tokens utilising the STS;
- a device or system that generates, transports, receives or processes cryptographic keys utilising the STS;
- a product or service that embodies or incorporates a permitted implementation of the STS;
- provided that a STS Product will only qualify as STA-compliant when a Certificate of Compliance is issued in respect of that STS Product

1.14 STS Tables

encryption and decryption substitution and permutation tables included in the STS

1.15 STS Marks

the trade marks recorded in the document entitled Rules – Use of the STS Marks annexed to this Schedule (Schedule A – Registration Form) as Annexure A and the trade marks and trade markings and devices that the STS Association uses from time to time to distinguish its business, its activities and products and systems that comply with the requirements of the STS Association in respect of use of the STS Marks

1.16 STS Intellectual Property

the intellectual property associated with the STS, including:

the STS Marks;

software developed by or for the STS Association pertaining to the STS or intended



for use with or in conjunction with the STS and the STS Products;
product design and manufacturing information and software design and manufacturing information which is embodied in the STS or in a product or system designed and manufactured by or for the STS Association;
any invention, discovery, copyright work, industrial design, mask work, algorithm, data structure, trade secret, know-how, confidential information or idea, whether of commercial value or not, which is embodied in the STS or which is designed or developed by or for the STS Association;
any Improvement to the STS; and
without limitation of the foregoing, all intellectual property referred to or dealt with as intellectual property of the STS Association in a STS Association Directive

1.17 STS Intellectual Property Rights

all rights in and to the STS Intellectual Property, including rights of ownership of the STS Intellectual Property, rights to confidentiality and copyright in all versions of the STS and works related thereto, including guides, certificates and reports pertaining to the STS

2. Membership

2.1 Membership is not open to all Affiliates. Membership of the STS Association in terms of Schedule D – Membership Terms and Conditions is only granted to an Affiliate who elects to be a Member by marking the appropriate block in section 3 in Schedule A – Registration Form and who is and remains a Member in good standing by:

2.1.1 paying and, for so long as it remains a Member, continuing to pay the subscription and other fees incidental to Membership; and

2.1.2 abiding by the provisions of Schedule D – Membership Terms and Conditions.

3. STS Licence

3.1 The STS Licence is granted to all Affiliates, in that access to and permission to use the STS is granted to Members and to Licence HolderLicensee Affiliates in terms of Schedule C – Licence Terms and Conditions, whether the Affiliate elects to be a Member or it elects to be a Licence HolderLicensee Affiliate only (by marking the appropriate block in section 3 in Schedule A – Registration Form), subject to:

3.1.1 in the case of a Licence HolderLicensee Affiliate only, the Licence HolderLicensee Affiliate abiding by the provisions of Schedule C – Licence Terms and Conditions; and

3.1.2 in the case of a Member, the Member being and remaining a Member in good standing in accordance with the provisions of Schedule C – Licence Terms and Conditions, provided that the STS Association will be entitled, by way of a STS



Association Directive, to withhold the grant of a STS Licence to one or more Classes of Members or to grant a STS Licence to one or more Classes of Members that is circumscribed in that it differs, in content or in the terms and conditions thereof, from the STS Licence and that may contain restrictions on the access to and use of the STS by the Member under such a circumscribed STS Licence.

4. Commencement and Term

- 4.1 This Agreement will commence on the Commencement Date and it will remain in force indefinitely, subject to termination in terms of this clause (4).
- 4.2 This Agreement will terminate automatically, subject to the following:
 - 4.2.1 if the Affiliate is a Member, this Agreement will terminate automatically on termination of the Affiliate's Membership in accordance with the provisions of Schedule D – Membership Terms and Conditions; or
 - 4.2.2 if the Affiliate is a Licence Holder/Licensee Affiliate only, the Affiliate's STS Licence is terminated in accordance with the provisions of Schedule C – Licence Terms and Conditions.

5. Breach

- 5.1 If the Affiliate breaches in any material way any material provision of this Agreement and remains in breach for a period of 30 days after receipt of a notice from the STS Association calling upon it to rectify the breach, the STS Association will be entitled to cancel and terminate this Agreement upon expiry of the period, without prejudice to the accrued claims of the STS Association or to any claim that it may have for damages arising out of such breach or the premature termination of this Agreement or otherwise.
- 5.2 The STS Association may terminate this Agreement with immediate effect on written notice to the Affiliate if the Affiliate becomes commercially insolvent or commits any act of insolvency or if the Affiliate is placed in provisional or final liquidation or receivership or is placed under provisional or final judicial management.

6. Consequences of termination

- 6.1 Upon termination of this Agreement for any reason whatsoever, each Party will, within 7 days of the date of termination, return to the other all items incorporating confidential information of the other and all notes and documents pertaining thereto, together with all copies of any such notes and documents. Neither Party will use, copy or adapt such confidential information or any printed material relating thereto.
- 6.2 In the event that this Agreement is terminated for any reason, clauses 6 to 10 and clause



21 of this Schedule (Schedule B – General Terms and Conditions) will survive such termination.

7. Warranties, indemnities and limitation of liability

- 7.1 The Affiliate agrees and confirms that, in lieu of warranties, it has been given every opportunity to assess the STS and the STS Association Intellectual Property, including the fitness thereof for the purpose intended by the Affiliate and the STS Association makes no warranties of any kind whatsoever regarding the STS or any part of the STS.
- 7.2 In particular, the STS Association makes no warranties of any kind regarding the following:
- 7.2.1 the accuracy, completeness, fitness for a particular purpose or intended use or the merchantability of the STS or any part of the STS;
 - 7.2.2 the functionality and technical or other characteristics of any STS Product manufactured with the use of or incorporating the STS or any part of the STS ; and
 - 7.2.3 that the manufacture of any STS Product embodying or incorporating the STS or any part of the STS will be error-free.
- 7.3 The Affiliate, accordingly, indemnifies the STS Association against all liability for any claim by any third party arising from any defect or other characteristic of any STS Product embodying or incorporating the STS or any part of the STS.
- 7.4 The STS Association will not be liable to the Affiliate (nor to any person claiming rights derived from the Affiliate) for damages or other relief of any nature whatsoever, including special, incidental and consequential damages.
- 7.5 The Affiliate acknowledges and agrees that:
- 7.5.1 this clause (7.5) reflects an informed, voluntary arrangement between the Parties concerning the risks (known and unknown) that may exist in connection with the STS Licence, this Agreement and use of the STS;
 - 7.5.2 this voluntary arrangement was a material part of the bargain between Parties in concluding this Agreement; and
 - 7.5.3 the economic and other terms of this Agreement were agreed to by the Parties in reliance on such voluntary arrangement.



8. STS Intellectual Property Rights

8.1 The Affiliate agrees and acknowledges that:

- 8.1.1 the STS Intellectual Property is the property of the STS Association and all rights in and to the STS Intellectual Property, including the STS Intellectual Property Rights vest and will vest in the STS Association;
- 8.1.2 the Affiliate agrees that the rights (if any) which it may be granted under an STS Licence (if any) are rights of use only and that it will acquire no other rights (proprietary or otherwise) in the STS, the STS Intellectual Property or the STS Intellectual Property Rights;
- 8.1.3 the Affiliate undertakes not to challenge the title of the STS Association in or to the STS Intellectual Property or the STS Intellectual Property Rights or the validity of the STS Intellectual Property Rights and undertakes, further, not to assist any third party directly or indirectly to do so; and
- 8.1.4 the STS Association will be entitled to vary its policies regarding the STS Intellectual Property, the STS Intellectual Property Rights and the development, ownership and use thereof, by way of a STS Association Directive.

9. Intellectual property rights of third parties

9.1 The Parties agree and acknowledge that there may be patents or other intellectual property rights relevant to the STS and the content and use of the STS that are owned by third parties (“third party intellectual property rights”) and the Parties agree and acknowledge that the STS Association makes no warranty that the exercise of the rights granted in this Agreement and the STS Licence or the use of the STS by the Affiliate will not infringe such third party intellectual property rights.

9.2 The STS Association does not and will not indemnify the Affiliate against claims of any nature that may be made against the Affiliate by any third party arising out of the use of any such third party intellectual property rights in the manufacture or sale by the Affiliate of any STS Product that incorporates, utilises or refers to the STS or any part thereof and the Affiliate agrees and acknowledges that it has and will have no rights or claims against the STS Association in this regard.

9.3 The Affiliate indemnifies and holds the STS Association harmless against inter alia all claims, expenses and costs attributable to any proceeding or claim made by any third party in respect of the unauthorised use of the intellectual property rights of that third party arising out of the use by the Affiliate of the STS or STS Products embodying any portion of the STS including, without limitation, awards of damages, costs and any legal costs or expenses incurred by the STS Association in this regard.



9.4 The Affiliate agrees and acknowledges that it is required to make its own investigations and to take all necessary precautions to ensure that it does not infringe any third party intellectual property rights in manufacturing or selling any STS Product and the STS Association assumes no liability or obligation to make or assist in any such investigation, except that the STS Association will, upon the written request of the Affiliate, make available to the Affiliate such information as the STS Association may have in its possession or under its control regarding third party intellectual property rights relevant to the STS, without thereby accepting any responsibility or liability as to the completeness or accuracy of such information.

10. STS rights and developments

10.1 Subject to clause 10.4, the Parties agree that any and all improvements to, developments of, modifications of or additions to the STS, the STS Intellectual Property and the technology underlying the STS, whether made by the STS Association or any one or more Affiliates (individually referred to herein as an "Improvement") will form part of the STS and the STS Intellectual Property.

10.2 Ownership of an Improvement and the intellectual property rights in an Improvement, vest and will vest in the STS Association and all such intellectual property rights will automatically form part of the STS Intellectual Property Rights.

10.3 The Affiliate will not receive any remuneration for the creation of any Improvement, unless the STS Association agrees thereto in writing.

10.4 If, after evaluation of a proposed Improvement submitted to the STS Association by an Affiliate, the STS Association, in its discretion, decides not to make use of the proposed Improvement or not to incorporate the proposed Improvement into the STS or to use or incorporate into the STS only a part of the proposed Improvement, then:

10.4.1 to the extent that the proposed Improvement is accepted by the STS Association (the proposed Improvement is used or accepted for use by the STS Association or incorporated or accepted for incorporation into the STS, either wholly or in part), the part of the proposed Improvement so accepted (or the whole if the entire Improvement is accepted) will form part of the STS and the STS Intellectual Property and ownership thereof and all intellectual property rights therein, vest and will vest in the STS Association, which intellectual property rights will automatically form part of the STS Intellectual Property Rights; and

10.4.2 to the extent that the proposed Improvement is declined by the STS Association (the proposed Improvement is not used or is rejected for use by the STS Association or is not incorporated or rejected for incorporation into the STS, either wholly or in part), the



whole or the part of the proposed Improvement so declined will not form part of the STS or the STS Intellectual Property, ownership thereof and all intellectual property rights therein, vest and will vest in the Affiliate and the STS Association will treat the parts of the proposed Improvement so declined with the same degree of confidentiality as it uses and expects in respect of STS confidential information.

- 10.5 In the event that the Affiliate makes or contributes to the making of an Improvement that is accepted by the STS Association, it will execute all documents required to confirm the ownership of the Improvement by the STS Association and the vesting of rights therein in the STS Association, including any document assigning the intellectual property rights in the Improvement to the STS Association.
- 10.6 In the event that the STS Association renders a service to a user, including an Affiliate, all such services will be charged out to such users in order to cover the reasonable costs of the STS Association and unless the STS Association agrees thereto in writing, no Affiliate will be entitled to be paid for any contributions to the STS Association or the activities of the STS Association.
- 10.7 Should the STS Association learn that an Affiliate has or will have intellectual property or intellectual property rights that the STS Association wishes to own, use or licence out, either to Affiliates or to third parties or both, the STS Association will notify the Affiliate accordingly and the Affiliate and the STS Association will negotiate in good faith regarding transfer of the ownership of the intellectual property in whole or in part to the STS Association or the use or licensing of the intellectual property, as the case may be and the remuneration, if any, to be paid to the Affiliate in respect of such assignment, use or licensing.

11. Governing law and jurisdiction

This Agreement will be governed by and be interpreted in accordance with the law of the Republic South Africa and the Courts of the Republic of South Africa with competent jurisdiction will have jurisdiction over all matters arising out of this Agreement, its interpretation, its validity and the settlement of disputes arising out of this Agreement.

12. Annexures

- 12.1 The annexures to the Schedules making up this Agreement is a part of the Agreement.
- 12.2 Unless otherwise indicated by the context, the terminology of the annexures will be interpreted in the manner determined in this Agreement.
- 12.3 The annexures may be varied by STS Association Directive or upon agreement between



the Parties if necessary and any such variation will be incorporated in this Agreement as a replacement or variation of the then current annexure.

- 12.4 The terms of this Agreement will govern the provisions of any annexure and in the event of any conflict between this Agreement and any annexure, the terms and conditions of this Agreement will prevail and take precedence.

13. Waiver

No relaxation by a Party of any of its rights in terms of this Agreement at any time will prejudice or be a waiver of its rights (unless it is a written waiver) and it will be entitled to exercise its rights thereafter as if such relaxation had not taken place and no waiver on the part of either Party of any rights arising from a breach of any provision of this Agreement will constitute a waiver of rights in respect of any subsequent breach of the same or any other provision.

14. Whole agreement

This Agreement constitutes the whole agreement between the Parties regarding its subject matter and the Parties will not be entitled to rely, in any dispute regarding this Agreement, on any terms, conditions or representations not expressly contained in this Agreement.

15. Supersession of prior agreements

This Agreement supersedes all prior arrangements, undertakings, understandings and arrangements between the Parties regarding its subject matter, whether tacit, oral, written or otherwise.

16. Force majeure

In the event that a Party (the "affected Party") is unable to perform any obligation under this Agreement due to circumstances beyond the control of the affected Party, including the action, intervention or decree of any government, and such circumstances are not caused by fault, of any degree, on the part of the affected Party, then the affected Party will be absolved from performing that obligation for as long as the circumstances prevail or, if performance of the obligation is or becomes impossible, the affected Party will be entitled to terminate this Agreement on written notice to the other Party.

17. Assignment

The Affiliate will be entitled to assign, cede or transfer any rights or obligations acquired



in terms of this Agreement subject to the prior written approval of the STS Association.

18. Notices

- 18.1 The Parties choose as their addresses for all purposes under this Agreement, whether in respect of the payment of money, the service or delivery of court process, notices or other documents or all other communications, the addresses set out in Schedule A – Registration Form.
- 18.2 Any notice or communication required or permitted to be given in terms of this Agreement will be valid and effective only if it is in writing.
- 18.3 The term "writing" includes electronic communications, including fax and electronic mail.
- 18.4 Notwithstanding anything to the contrary herein contained a written notice or communication actually received by a Party will be an adequate written notice or communication to it notwithstanding that it was not sent to or delivered at its chosen address.

19. Dispute resolution

- 19.1 Should any dispute arise between the Parties concerning this Agreement, its breach or its termination, including a dispute concerning the interpretation of this Agreement or any document furnished by a Party in terms of this Agreement (the "dispute"), the Parties shall deal with the dispute in accordance with this clause (19).
- 19.2 Unless otherwise agreed in writing, the Parties will maintain the strictest of confidentiality regarding all aspects of the dispute, its causes, its surrounding circumstances and its resolution and all proceedings aimed at resolving the dispute will be conducted in privacy and in circumstances conducive to maintaining the confidentiality contemplated in this clause (19).
- 19.3 Should any dispute arise, the Parties will first attempt to resolve the dispute by negotiation or, if negotiations fail, by way of mediation administered, if the Parties are unable to agree on a mediator, by a mediator appointed by the STS Association Management Board.
- 19.4 Should a dispute arise and whether or not either or both the Parties have complied with the provisions of clause 19.3 relating to negotiated or mediated settlement of the dispute:
 - 19.4.1 either Party will be entitled to apply to a pre-arbitral referee for urgent provisional measures in relation to the dispute;
 - 19.4.2 the Parties will select the referee by agreement and failing agreement, the referee will be appointed by the STS Association Management Board; and
 - 19.4.3 any measure ordered by the referee will be binding until decided otherwise by an



arbitral tribunal.

- 19.5 If the dispute has not been resolved by negotiation, mediation or by the order of a pre-arbitral referee, the dispute will be resolved by final arbitration in accordance with the Rules of the Arbitration Foundation of Southern Africa (the "Foundation" or "AFSA") by an arbitrator or arbitrators appointed by AFSA, provided that:
- 19.5.1 the arbitrator in any dispute that relates exclusively to the payment of money will be an independent accountant appointed by the Chairman of the South African Institute of Chartered Accountants;
 - 19.5.2 the proceedings will be held in Johannesburg, South Africa with only the arbitrator and the legal and other representatives of the Parties present;
 - 19.5.3 the proceedings will be held in an informal and summary manner in accordance with the formalities and procedures settled by the arbitrator and on the basis that it will not be necessary to observe or carry out the usual formalities of court litigation including procedures, pleadings and discovery or strict rules of evidence, it being the intention that the proceedings will be held and completed as soon as possible;
 - 19.5.4 the arbitrator will be entitled to determine the dispute on the basis of justice and equity; and
 - 19.5.5 the decision of the arbitrator will be final and binding on the Parties.
-



SCHEDULE C

LICENCE TERMS AND CONDITIONS

This Schedule (Schedule C – Licence Terms and Conditions)
sets out the terms and conditions applicable to the

STS LICENCE

and is applicable to all Affiliates (Members and Licence Holder/Licensee Affiliates).

1. Introductory

The terms and conditions of this Schedule (Schedule C – Licence Terms and Conditions) are additional to the terms and conditions of Schedule A – Registration Form; Schedule B – General Terms and Conditions and Schedule D – Membership Terms and Conditions (if applicable), all of which remain applicable hereto, except in the event of a conflict in which event, the terms and conditions of this Schedule (Schedule C – Licence Terms and Conditions) shall prevail.

2. Definitions

2.1 General

Unless otherwise indicated by the context, in this Schedule:

the terms and expressions defined in Schedule BA – General Terms and Conditions
Registration Form will bear the meanings assigned to them in that Schedule;

the following terms and expressions will bear the meanings assigned to them below;

and

cognate expressions will bear corresponding meanings:

2.2 Licensee Affiliate

the Member or Licence Holder/Licensee Affiliate, depending on the election made by the Affiliate in completing section 4 of Schedule A, particularised in section 2 of Schedule A – Registration Form



2.3 Certification Authority

a person or institution authorised by the STS Association to evaluate STS Products and to test STS Products for conformance to and compliance with the STS and to certify such conformance and compliance

2.4 Authorised person

a person or persons authorised by the Licensee Affiliate to have access to the STS Tables and who has signed an agreement with the Licensee Affiliate in which the person agrees to retain the Licensee Affiliate's confidential information (including confidential information of others disclosed to the Licensee Affiliate) in the strictest of confidence and the terms "authorise" or "authorised" have corresponding meanings

2.5 Certificate of Compliance

a certificate to certify the compliance of a STS Product with the STS issued in accordance with clause 7.8 of this Schedule (Schedule C – Licence Terms and Conditions)

2.6 STS Implementation Rules

the rules regarding permitted implementation of the STS and the transfer of the STS Tables to the Licensee Affiliate set out in clause 5 of this Schedule (Schedule C – Licence Terms and Conditions)

19.6 STS Licence Type

the type of STS Licence selected by a Licensee Affiliate by marking the appropriate block in section 5 in Schedule A – Registration Form

2.7 STS Trade Mark Rules

the rules regarding use of the STS Marks set out in clause 6 of this Schedule (Schedule C – Licence Terms and Conditions)

2.8 STS Marks

The STS Marks as defined in Schedule B – General Terms and Conditions and in particular the "S"-Logo of the STS Association illustrated below:



The "S"-Logo is registered in the South African Trade Marks Office and forms the subject of the following Certification Mark registrations:

- | | | |
|-------------|------------|--|
| No. 94/4680 | in Class 6 | articles and building materials made from unwrought and partly wrought metal |
| No. 94/4681 | in Class 9 | electrical and electronic instruments and apparatus |



No. 94/4682 in Class 11 electrical, water supply and sanitary installations
No. 94/4683 in Class 37 construction and repair services

3. STS Licence

- 3.1 The STS Association hereby grants to the Licensee Affiliate which hereby accepts a non-exclusive, non-transferable, royalty free licence, under the STS Intellectual Property, subject to the STS Implementation Rules and the STS Trade Mark Rules and subject to the terms and conditions of the STS Licence Type selected by the STS Licensee Affiliate:
- 3.1.1 to make or have made, to use or permit the use of, to sell, offer to sell, let or otherwise dispose of, to market and distribute the one or more STS Products permitted by the the STS Licence Type selected by the STS Licensee Affiliate or any product that embodies or incorporates a permitted implementation of the STS;
- 3.1.2 to use the STS Intellectual Property Rights and the STS Intellectual Property to manufacture, market and sell or otherwise dispose of the STS Products permitted by the STS Licence Type selected by the STS Licensee Affiliate and any other products that embody or incorporate a permitted implementation of the STS;
- 3.1.3 to use the STS Intellectual Property Rights and the STS Intellectual Property to manufacture, market and sell or otherwise dispose of the STS Products permitted by the STS Licence Type selected by the STS Licensee Affiliate processes and services that embody or incorporate a permitted implementation of the STS; and
- 3.1.4 to use the STS Marks in the manner permitted by the STS Licence Type selected by the STS Licensee Affiliate.
- 3.2 The STS Association will be entitled, in addition to the limitations imposed by clause 3.1, immediately above, and by way of a STS Association Directive, to impose conditions on the use of the STS Intellectual Property, including conditions which restrict the use that certain Licence Holder Licensee Affiliates and certain Classes of Members may make of the STS.
- 3.3 Such conditions of use may include:
- 3.3.1 if the Licensee Affiliate is a Licence Holder Licensee Affiliate, the licence fees payable in respect of the STS Licence; and
- 3.3.2 if the Licensee Affiliate is a Member, the licence fees (if any) payable in respect of the STS Licence in addition to the fees payable in respect of Membership in accordance with Schedule D – Membership Terms and Conditions.
- 3.4 Unless the Parties specifically agree thereto in a separate written agreement, the STS Association will not provide the Licensee Affiliate with any assistance in the



implementation of the STS under this STS Licence or the development or testing of any STS Product.

4. Licence Fees

Licence fees are due and payable in respect of the STS Licence and the amounts of such licence fees and the terms and conditions of payment, including due dates for payment, are dependent on the STS Licence Type selected by the Licensee Affiliatedetermined by the STS Association by means of a STS Association Directive from time to time, which Licence fees may include annual licence fees and such other fees incidental to the STS Licence as the STS Association may determine, by way of a STS Association Directive.

5. STS Implementation Rules

- 5.1 The STS Association will be entitled to amend these STS Implementation Rules by way of a STS Association Directive.
- 5.2 The STS Tables shall only be accessed and used in the manner determined in the STS Implementation Rules, read with current STS Association Directives dealing with the STS Tables and in no other way.
- 5.3 The process to be followed to obtain access to and take transfer of the STS Tables is set out in one or more STS Association Directives and if the Licensee Affiliate wishes to obtain access to the STS Tables, the Licensee Affiliate must follow the process outlined in such STS Association Directive or Directives and in this process, unless the parties agree otherwise in writing:
 - 5.3.1 The Licensee Affiliate must notify the STS Association that it requires access to the STS Tables, whereupon the STS Association will make the arrangements necessary to deliver the STS Tables to the Licensee Affiliate and to take redelivery of the STS Tables from the Licensee Affiliate on completion of the transfer process.
 - 5.3.2 The costs in respect of these arrangements will be borne by the Licensee Affiliate unless the parties agree otherwise in writing.
 - 5.3.3 In its notification to the STS Association the Licensee Affiliate must provide the STS Association with a comprehensive written safekeeping plan that sets out, in detail, the steps and precautions which the Licensee Affiliate proposes to take to ensure that the confidential parts of the STS Tables to be transferred to the Licensee Affiliate will not be accessible to any unauthorised person whatsoever or in any manner or form, including access thereto in or on any electronic data storage or processing system or mechanism or any microprocessor or microcontroller into which all or part of the STS



transferred to the Licensee Affiliate or any programs or data forming part of the STS may be entered or programmed.

- 5.3.4 If the STS Association is satisfied with the Licensee Affiliate's safekeeping plan, it will deliver the STS Tables to the Licensee Affiliate.
- 5.3.5 The Licensee Affiliate will allow authorised representatives of the STS Association to enter the premises of the Licensee Affiliate to evaluate the compliance or otherwise of the Licensee Affiliate with the provisions of the safekeeping plan.

Return of the STS Tables

- 5.4 The Licensee Affiliate undertakes to complete the initial programming of the data contained in the STS Tables within 7 days after the date on which the STS Tables are delivered to the Licensee Affiliate.
- 5.5 Upon such completion, the Licensee Affiliate will immediately return, to the STS Association, the STS Tables and all documentation containing the STS Tables or any part thereof, whether recorded on or in physical or electronic media, together with any copies thereof the Licensee Affiliate may have made.

Confidentiality

- 5.6 The provisions of this clause (5) are additional to and must be read in conjunction with the provisions of clause 6 of Schedule D – Membership Terms and Conditions.
- 5.7 The Licensee Affiliate acknowledges and agrees that the parts of the STS Tables that are not in the public domain contain extremely confidential information in respect of which the STS Association has proprietary rights and the Licensee Affiliate undertakes not to disclose any part of the contents of the STS Tables disclosed to the Licensee Affiliate under the STS Licence in any manner or form other than is permitted in this clause (5).
- 5.8 The Licensee Affiliate undertakes that it will deal with disclosure and reproduction of such parts of the contents of the STS Tables disclosed to the Licensee Affiliate strictly in the manner and for the purpose specifically permitted by this STS Licence, read in conjunction with any and all STS Association Directives dealing with the STS Tables or otherwise as directed in writing by the STS Association.
- 5.9 The Licensee Affiliate undertakes that it will not reproduce the STS Tables, or any portion thereof, in any manner and for any purpose other than to program the data contained in the STS Tables in the manner contemplated in the STS, read in conjunction with any and all STS Association Directives dealing with the STS Tables or otherwise as directed in writing by the STS Association.



5.10 The Licensee Affiliate undertakes:

- 5.10.1 otherwise than is permitted in the STS Implementation Rules in respect of the STS Tables or an appropriate STS Association Directive, not to disclose any part of the contents of the confidential parts of the STS Tables to any person not authorised to receive it, in any manner or form, including access thereto in or on any electronic data storage or processing system or mechanism or any microprocessor or microcontroller into which all or part of the STS Tables are transferred, entered or programmed;
- 5.10.2 not to reproduce the STS Tables or any portion thereof, in any manner and for any purpose other than to program the data contained in the Tables in the manner contemplated in the STS, read in conjunction with any and all STS Association Directives dealing with the STS Tables or otherwise as directed in writing by the STS Association;
- 5.10.3 to ensure that use of and access to any electronic data storage or processing system, any microprocessor or microcontroller and any portion of any piece of software into which the confidential parts of the STS Tables are programmed or entered, will be restricted strictly to authorised persons that have signed a confidential disclosure agreement with the Licensee Affiliate (this applies particularly to the person taking delivery on behalf of the Licensee Affiliate);
- 5.10.4 to ensure that, at all times when the STS Tables and any electronic data storage or processing system, any microprocessor or microcontroller and any portion of any piece of software into which the STS Tables are programmed or entered are not in use, they will be kept locked in a secure safe; and
- 5.10.5 to ensure that, if any computer, electronic data storage or processing system, any microprocessor or microcontroller and any portion of any piece of software on which the STS Tables are stored or into which the STS Tables are programmed or entered, is sold or otherwise disposed of to a third party, that the STS Tables thereon or therein are removed by a removal process at least as comprehensive as reformatting before such disposal or sale.

6. STS Trade Mark Rules

- 6.1 The STS Association will be entitled to amend the STS Trade Mark Rules by way of a STS Association Directive.
- 6.2 The STS Marks shall only be used in the manner determined in the STS Trade Mark Rules, read with current STS Association Directives dealing with the STS Marks and in no other way.
- 6.3 Depending on the Licensee Affiliate's Class of Membership, the Licensee Affiliate will be



entitled to use the STS Marks on or in association with the products and services of the Licensee Affiliate, provided that such use must be made in the manner determined in the STS Trade Mark Rules, read with current STS Association Directives dealing with use of the STS Marks and in no other way.

6.4 The STS Association will be entitled to impose conditions on the use of the STS Marks, including conditions, which restrict the use that certain Licence HolderLicensee Affiliates and certain Classes of Members may make of the STS Marks.

6.5 In the event that the Licensee Affiliate is permitted to use the STS Marks (and the “S”-Logo in particular) in respect of and in association with the business of the Licensee Affiliate, such as on the Licensee Affiliate’s stationery, or on the Licensee Affiliate’s marketing, sales and promotional material, the Licensee Affiliate will ensure that:

6.5.1 such use is intended purely to indicate that the Licensee Affiliate is a Licensee Affiliate of the STS Association;

6.5.2 in situations where the STS Marks are used on or associated with products or services of the Licensee Affiliate, such use is not made in any manner that might indicate that any such products or services are STS-compliant unless the products or services are in fact STS-compliant, being STS Products that are certified in accordance with the STS Trade Mark Rules by or for the STS Association, as conforming with the STS;

6.5.3 the duration of the Licensee Affiliate’s right to use the STS Marks will be determined in accordance with the Licensee Affiliate’s STS Licence or Class of Membership and by way of STS Association Directive issued from time to time.

6.6 The STS Association will be entitled:

6.6.1 to call for evidence from any Licensee Affiliate, that the STS Marks are being used as authorised and in accordance with the provisions of this Agreement and the STS Trade Mark Rules;

6.6.2 to send its representatives to inspect and investigate the premises of a Licensee Affiliate and its customers in respect of purportedly STS-compliant systems, products and services, for the purpose of determining whether or not the provisions of this Agreement and the STS Trade Mark Rules are being complied with; and

6.6.3 the Licensee Affiliate will co-operate fully with the STS Association and its representatives in this regard, by allowing the STS Association and its representatives reasonable access to the premises and records of the Licensee Affiliate and its customers and by allowing the STS Association and its representatives to take copies of records (including electronic records), documents and samples of apparatus or items of equipment, to assist the STS Association and its representatives in their



investigations.

Certification of Compliance

- 6.7 Before selling, installing, commissioning, using or supplying any STS Product, the Licensee Affiliate must submit the STS Product to testing to permit the STS Association to form an assessment as to whether or not the STS Product concerned is in sufficient compliance with the STS to permit the use of the STS Marks on or in association with such STS Product.
- 6.8 If the STS Association is satisfied that the system or item concerned is in sufficient compliance with the STS to permit such use of the STS Marks, it will issue a Certificate of Compliance to the Licensee Affiliate.
- 6.9 The STS Association may elect to have the compliance tests referred to immediately above carried out on its behalf by a test facility accredited by the STS Association as being competent to test the system or item concerned for compliance with the STS, herein referred to as an Certification Authority. In such an event, references to the STS Association in the STS Trade Mark Rules will, where the context permits, include references to such a Certification Authority.

Testing of STS Products

- 6.10 The process to be followed to certify a Licensee Affiliate's product or service for compliance with the STS is set out in one or more STS Association Directives and if the Licensee Affiliate wishes to test a product or service for compliance with the STS, the Licensee Affiliate must follow the process outlined in such STS Association Directive or Directives. In each case, unless the parties agree otherwise in writing:
 - 6.10.1 the STS Association will make arrangements, in conjunction with the Licensee Affiliate, for the submission of the product or service to be tested to an Certification Authority to be tested for compliance with the STS;
 - 6.10.2 the cost of such testing will be borne entirely by the Licensee Affiliate;
 - 6.10.3 the Certification Authority will report to the STS Association and the Licensee Affiliate in respect of the tests so conducted;
 - 6.10.4 on receipt of the report, the STS Association will make the final determination as to whether or not the STS Product so tested complies with the STS; and
 - 6.10.5 should the STS Association determine that the STS Product so tested complies with the STS, it will issue a Certificate of Compliance to the Licensee Affiliate.
- 6.11 If any change is made to a certified STS Product after testing or certification, then the STS Product will be submitted to the STS Association for re-testing and re-certification in



the manner determined in clause 6.10 at the cost of the Licensee Affiliate.

- 6.12 The Licensee Affiliate shall ensure, after a Certificate of Compliance is issued in respect of any sample STS Product, that all production items of that STS Product will be identical to the sample STS Product as tested and certified.
- 6.13 The STS Association, in its entire discretion, may require that a STS Product be subjected to field trials prior to final certification in which event the Licensee Affiliate will not market nor sell that STS Product pending completion of such field trials, final certification of the STS Product and the issuance of a Certificate of Compliance in respect of that STS Product.

Representations

- 6.14 The Licensee Affiliate shall not make any written, oral or any other representation to any person that a STS Product or any part or aspect of the business of the Licensee Affiliate or any product or service of the Licensee Affiliate complies with the STS unless a Certificate of Compliance has been issued by the STS Association in respect of that STS Product.
- 6.15 Any representations made by the Licensee Affiliate in consequence of the issuance of a Certificate of Compliance in respect of a STS Product or any part or aspect of the business of the Licensee Affiliate or any product or service of the Licensee Affiliate will be made strictly in accordance with any terms or conditions imposed by the STS Association in the Compliance Certificate or such other terms and conditions as the STS Association may impose.

Amendment of the STS Trade Mark Rules and registration

- 6.16 The STS Association has registered the STS Trade Mark Rules with the South African Trade Marks Office.
- 6.17 The STS Association reserves the right:
- 6.17.1 to amend the STS Trade Mark Rules; and
- 6.17.2 to register any such amendment in the Trade Marks Office as an amendment of the STS Trade Mark Rules.

7. Commencement and Term

- 7.1 This STS Licence will commence on the Commencement Date of this Agreement and it will remain in force indefinitely, subject to:
- 7.1.1 termination for breach in accordance with clause 8; and
- 7.1.2 termination of the Member's Membership in accordance with Schedule D –



Membership Terms and Conditions, if this STS Licence is a STS Licence granted as a result of Membership.

8. Breach

8.1 Should any party (“the defaulting party”) commit a breach of any provision of this Agreement and fail to remedy such breach within 30 days of receiving written notice from any other party (“the aggrieved party”) requiring it to do so, then the aggrieved party will be entitled, without prejudice to its other rights in law, to claim immediate specific performance of all of the defaulting party’s obligations, without prejudice to the aggrieved party’s right to claim damages, provided that:

8.1.1 neither of the parties will be entitled to cancel this Agreement, save where the breach by the other party is a material breach of a material provision of this Agreement and such material breach is incapable of being remedied by compensation; or

8.1.2 if the breach, being a material breach of a material provision, is capable of being remedied by compensation, the defaulting party fails to pay such compensation within 14 days of the amount being determined in accordance with the provisions of clause 20 (Dispute Resolution) of Schedule B – General Terms and Conditions; and provided further that:

8.1.3 any such cancellation will be without prejudice to the aggrieved party’s right to claim damages under this Agreement or in law.

8.2 Each of the following breaches of this Agreement will be deemed, incontrovertibly, to constitute a material breach of a material provision of this Agreement that is incapable of being remedied by compensation:

8.2.1 if the Licensee Affiliate goes into liquidation, either compulsory or voluntary (save for the purpose of reconstruction or amalgamation), or if a receiver is appointed in respect of the whole or any part of its assets or if the Licensee Affiliate makes an assignment for the benefit of or composition with its creditors generally or threatens to do any of these things or any judgment is made against the Licensee Affiliate or any similar occurrence under any jurisdiction affects the Licensee Affiliate;

8.2.2 if the Licensee Affiliate engages in any conduct prejudicial to the STS or the implementation of the STS;

8.2.3 if the Licensee Affiliate fails to adhere strictly to the provisions of clause 5;

8.2.4 if the Licensee Affiliate fails to adhere strictly to the provisions of clause 6;

8.2.5 if the Licensee Affiliate fails to pay to the STS Association, promptly or at all and without demand, deduction or set-off, any and all sums due to the STS Association under this Agreement, particularly the licence fees of clause 4, within the period of



payment agreed; or

- 8.2.6 if the Licensee Affiliate causes or permits anything which may prejudice, damage or endanger the STS Association confidential information or the STS Intellectual Property or the STS Intellectual Property Rights or the title of the STS Association therein or assists or allows others to do so.

9. Consequences of termination

- 9.1 Upon termination of this Agreement for any reason whatsoever, the Licensee Affiliate will cease, subject to the provisions of clause 9.3, to have any further right to have access to or make use of the STS or to adopt, use, apply and/or implement and/or incorporate into products and/or services of the Licensee Affiliate anything that requires use of or access to the STS.

- 9.2 Notwithstanding the termination of this Agreement for any reason:

- 9.2.1 the Licensee Affiliate will be entitled to complete the manufacture and delivery of products or services for which firm orders had been received by the Licensee Affiliate prior to the date of termination; and

- 9.2.2 the Licensee Affiliate will be entitled to dispose of such products and services in accordance with the rights granted herein; provided that, in respect of such manufacture, delivery and disposal, all the provisions of this Agreement will be adhered to as if this Agreement is still in force.

- 9.3 Upon termination of this Agreement for any reason whatsoever, the STS Association shall have the right, in terms of the STS Trade Mark Rules, to withdraw the authority to use the STS Marks on notice to the Licensee Affiliate and upon withdrawal of such authority, for whatever reason:

- 9.3.1 the Licensee Affiliate will cease to be an authorised user of the STS Marks;

- 9.3.2 the Licensee Affiliate will immediately cease all use of the STS Marks;

- 9.3.3 the Licensee Affiliate will, within 7 days of the Licensee Affiliate being advised of the withdrawal of authorisation to use the STS Marks, deliver to the STS Association all materials bearing the STS Marks in its possession or under its control, including labels and any other materials bearing the STS Marks, together with all dies, stamps, moulds, tools and any other instruments used to reproduce or apply the STS Marks;

- 9.3.4 if the STS Association so requests, the Licensee Affiliate will allow the representatives of the STS Association to enter the Licensee Affiliate's premises to ascertain that these provisions have been complied with; and

- 9.3.5 the Licensee Affiliate will take all necessary steps to ensure that products and systems which do not comply with the STS Trade Mark Rules and which are made



and/or supplied by the Licensee Affiliate, are not sold or otherwise disposed of under the STS Marks, which steps will include the recovery of the products if necessary (including purchasing them) from a person to whom they were sold or supplied.

- 9.4 Clauses 5, 6, 9 and 10 of this Schedule (Schedule C – Licence Terms and Conditions) will survive termination of this Agreement for any reason whatsoever.

10. Liquidated damages

- 10.1 Notwithstanding anything contained in this Agreement or any STS Association Directive, if the Licensee Affiliate commits a breach of its obligations under clauses 4 or 5 immediately above, the Licensee Affiliate will, on the written demand of the STS Association pay, to the STS Association, liquidated damages in the amount of US\$150,000.00 (one hundred and fifty thousand United States dollars).
- 10.2 The remedies available to the STS Association under clause 7.1 immediately above will not prejudice the STS Association's rights to terminate the STS Licence or to obtain other relief arising from the Licensee Affiliate's breach, nor will the STS Association be precluded from claiming and obtaining an award of its actual damages in lieu of or in addition to the amount set out in clause 10.1.



SCHEDULE D

MEMBERSHIP TERMS AND CONDITIONS

This Schedule (Schedule D – Membership Terms and Conditions)
sets out the terms and conditions applicable to:

MEMBERSHIP OF THE STS ASSOCIATION

and is applicable to Members only.

1. Introductory

The terms and conditions of this Schedule (Schedule D – Membership Terms and Conditions) are additional to the terms and conditions of Schedule A – Registration Form; Schedule B – General Terms and Conditions and Schedule C – Licence Terms and Conditions, all of which remain applicable hereto, except in the event of a conflict in which event, the terms and conditions of Schedule (Schedule C – Licence Terms and Conditions) shall prevail over the terms and conditions of this Schedule (Schedule D – Membership Terms and Conditions), the terms and conditions of which will prevail over those of Schedule A – Registration Form and Schedule B – General Terms and Conditions.

2. Membership

- 2.1 The Member hereby joins and the STS Association hereby accepts the Member as a Member of the STS Association.
- 2.2 The Member's Class of Membership as at the Commencement Date, is set out in section 4 of Schedule A – Registration Form and the Member will be entitled, at any time during the currency of this Agreement, to terminate or convert its Class of Membership by following the appropriate termination or conversion process, as set out in the appropriate STS Association Directive current at the time.



3. Member's undertakings

3.1 The Member undertakes:

3.1.1 to abide by the provisions of the Memorandum and Articles of the STS Association, as amended from time to time; and

3.1.2 to fulfill the obligations incumbent upon Membership as set out in this Agreement and the STS Association Membership documents.

3.2 The Member confirms, whether or not it has availed itself of the opportunity of studying such documents, that copies of the Membership documents of the STS Association have been made available to the Member, which Membership documents include the Memorandum and Articles of the STS Association and such of the STS Association Directives that are generally made available to interested parties wishing to become Members of the STS Association.

3.3 The Member agrees that the Memorandum and Articles of the STS Association will take precedence over this Agreement in the event of any conflict and to comply with the provisions of the Memorandum and Articles and all STS Association Directives and regulations made by the STS Association in accordance with the Memorandum and Articles and this Agreement.

3.4 The Member undertakes, in all its dealings with the STS Association and with Members of the STS Association and in the conduct of any activities conducted on behalf of or involving the STS Association:

3.4.1 to accept the provisions of the Memorandum and Articles of the STS Association as binding and to comply therewith in letter and in spirit;

3.4.2 to maintain a high standard of ethics and integrity in its dealings with the STS Association, with Members of the STS Association and third parties that are not Members of the STS Association;

3.4.3 not to bring the STS Association or any Member of the STS Association into disrepute; and

3.4.4 not to disparage the STS Association, any Member of the STS Association, the STS Marks or the STS or any part thereof.

4. Subscription fees

4.1 The STS Association will notify the Member of the subscription fees and any other fees incidental to Membership, as determined by the STS Association from time to time, which subscription or other fees the STS Association will be entitled to vary on notice to Members.

4.2 The Member undertakes to pay and, for so long as it remains a Member, to continue paying, the subscription and other fees incidental to Membership, the Member agreeing



and acknowledging, by its signature hereto, that its Membership of the STS Association will terminate automatically in the event that the Member fails to pay such fees or subscriptions on time or at all.

5. Termination of Membership

5.1 The Member's Membership of the STS Association will cease automatically upon the occurrence of any one or more of the events listed below:

5.1.1 upon receipt by the STS Association of a notice in writing from the Member terminating its Membership, in which event the Member's Membership of the STS Association will terminate automatically on the date of the Member's notice;

5.1.2 upon winding up, liquidation or cessation of business of the Member, in which event the Member's Membership of the STS Association will terminate automatically on the date of such winding up, liquidation or cessation of business;

5.1.3 upon the date set out in a notice issued by the STS Association to the effect that the Management Board has agreed unanimously to terminate the Membership of the Member; or

5.1.4 upon the date set out in a notice issued by the STS Association to the effect that the Member has failed to comply with an obligation attaching to Membership of the STS Association or any obligation imposed on the Member by this Agreement, including failure by the Member to pay any of the subscription and other fees incidental to Membership of the STS Association on or before the due date for such payment, provided that the STS Association will be entitled but not obliged to terminate the Member's Membership and provided further that, before issuing such notice:

5.1.5 the STS Association must notify the Member in writing of the failure, the remedial action required by the STS Association and a specified date by which the failure must be remedied, which specified date must be more than 1 month from the date of the notice;

5.1.6 the Member fails to remedy the failure to the satisfaction of the STS Association by the specified date; and

5.1.7 the Management Board of the STS Association resolves, by way of a simple majority vote of the Management Board of the STS Association, to terminate the Member's Membership;

5.1.8 in which event the Member's Membership of the STS Association will terminate automatically upon the date set out in a written notice from the STS Association notifying the Member of the resolution of the Management Board of the STS Association.



6. Confidentiality

The Affiliate acknowledges and agrees that it might acquire or come to learn of STS Association confidential information which is not in the public domain, including confidential commercial information, and the Affiliate undertakes not to disclose any part of the contents of any such confidential information in any manner or form other than is permitted by the STS Association in writing.
