**FRAMEWORK AGREEMENT**

**for**

**ENGINEERING AND TECHNICAL CONSULTANCY SERVICES**

**between**

**NPPs SAFETY DEVELOPMENT & IMPROVEMENT COMPANY (TAVANA),**

**and**

**RISK ENGINEERING LTD,**

**Tehran, 2016**

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**DEFINITIONS**

|  |  |  |
| --- | --- | --- |
|  | Bushehr NPP (BNPP) | Power unit VVER-1000/446 (one), constructed by Atomstroyexport Joint Stock Company (JSC ASE) of Russian Federation under the contract with NPPD |
|  | Agreement | The present Agreement |
|  | Special Conditions | Terms and conditions applicable to each specific Work Order |
|  | Consultant | Risk Engineering Ltd |
|  | Consultant’s Authorized Representative | The person designated by the Consultant, which has official permission to represent the Consultant, whom shall officially notify to the Client |
|  | Consultant's Bank | The Bank nominated by the Consultant, which is specified in this Agreement |
|  | Engineering Support | A complex of engineering and consultative services, research and analytical works, elaboration of technical recommendations in the production and management areas, and in the area of operation of nuclear facilities and Plant equipment, realization of output of electric energy. |
|  | Consultant's Specialist | The Consultant’s specialists /expert or the Consultant’s sub-Consultant’s personnel sent to the BNPP Site/Tehran in order to carry out the Consultant’s Services and works as well as Consultant’s specialist /expert to render Services in Republic of Bulgaria |
|  | Party or Parties | The Client and/or the Consultant |
|  | Plant | Bushehr Nuclear Power Plant No.1 |
|  | Client | TAVANA, and its legal representatives, successors and assignees |
|  | Client's Bank | The Bank nominated by the Client, which is specified in this Agreement |
|  | Client's Representative | The person, firm or corporation designated by the Client to perform the duties assigned to the Client's Representative under the Agreement |
|  | Service | The Consultant’s Technical and Engineering Support that are required under the present Agreement |
|  | Site | Location of the Unit of Bushehr NPP in Bushehr and/ or Tehran in IRI |
|  | TAVANA Co. | The Client , the company responsible for Technical Support of all NPPs in IRI |
|  | Technical Commercial Proposal (TCP) | The Consultant’s offer for rendering particular services on Technical Support and/or Engineering Support based on the Client’s Work Order, which shall be in compliance with the terms and conditions of the Agreement |
|  | Technical Support | Providing Technical recommendations, reports, analysis, calculations, advice and consulting for safe, reliable and efficient operation of the equipment and/or systems of the BNPP, in addition to the contents or for clarification of the contents of design, manufacturing, commissioning and/or operational and repair and maintenance documentation |
|  | WorkOrder | Written document containing statement of work to be completed (Technical Assignment), calendar plan, price and settlement terms, Parties obligations and other conditions further to the ones stipulated in this Agreement. The Work-order shall be signed by the Parties and is an integral part of the Agreement, Work Order Form is attached in Appendix 1 |
|  | Reporting Year | A year that shall be started from the commencement date of the Agreement for 12 months and following respective years |

**LIST OF ABBREVIATIONS**

|  |  |
| --- | --- |
| BNPP | Bushehr Nuclear Power Plant |
| DDD | Direct Distance Dialing |
| DSA | Deterministic Safety Analysis |
| ICC | International Chamber of Commerce |
| IRI | Islamic Republic of Iran |
| NPP | Nuclear Power Plant |
| NPPD | Nuclear Power Production and Development Company |
| PSA | Probabilistic Safety Analysis |
| REL | Risk Engineering Ltd |
| TCP | Technical and Commercial Proposal |
| VVER | Pressurized Water Reactor |

**PREAMBLE**

This Framework Agreement (the “Agreement”) is made, and entered into on the date of ….., 2016,

By and between:

**NPPs Safety Development & Improvement Company (TAVANA)**, a company duly organized under the laws of Islamic Republic of Iran, having its registered office at No. 8,Tandis Str., Nelson Mandela Avenue, Tehran, Iran, represented by Mr. Mohammad Ghods, General Director, and Gholamali Doustmohammadi, Chairman of Board of Directors hereinafter referred to as “the Client” of the one side

And

**Risk Engineering Ltd,** a company duly organized under the laws of Bulgaria, having its registered office at 10, Vihren str., 1618 Sofia, Bulgaria, represented by Bogomil Manchev,Executive Director, company identification number BG040463255, hereinafter referred to as “the Consultant”, on the other side

Each hereinafter referred individually as “Party” and jointly – as “the Parties”,

**WHEREAS,** TAVANA Co., is serving as a Technical Support Organization of nuclear power plants in I.R. IRAN and is leading provider of technical consultancy, engineering services and project and asset management services to the nuclear energy industry.

**WHEREAS**, Risk Engineering Ltd. declares that it has the technical competence, and is currently engaged in providing technical and engineering support to nuclear utility throughout the life cycle of nuclear and other energy facilities. And further has agreed to perform the consultancy and Technical Support Services required by the Client in due diligence in the framework of the present Agreement,

**NOW THEREFORE THE CLIENT AND CONSULTANT AGREE AS FOLLOWS:**

# ARTICLE 1- OBJECT OF THE FRAMEWORK AGREEMENT

* 1. The Consultant by the present Agreement shall provide to the Client Technical and Engineering Support for enhancing nuclear safety and reliability and efficiency of BNPP-1 operation, as well as providing Technical and Engineering Support for assurance of nuclear safety, reliability, efficiency in the course of design, and construction and operation phases of the new NPP Units with VVER-1000.
	2. The rights and obligations of the Parties in connection with the specific common projects will be governed by separate specific technical agreements (called hereinafter Work Orders) which the Parties may enter on a case by case best efforts basis following good faith negotiations. Such agreements will be based on mutually acceptable terms and conditions, including fair and reasonable prices and any terms and conditions required or contemplated by law, regulation, and good industry practice or otherwise included in such Work Orders.
	3. By the present Agreement the Parties set forth the basic rules, which are to be negotiated in the Work Orders setting forth the terms and conditions more directly applicable to the potential common projects outlined in this Agreement .

# ARTICLE 2- SUBJECT OF THE AGREEMENT

2.1 The Consultant undertakes to render the following Technical and Engineering Support under the present Agreement and as per the Client’s request for the areas of:

* Operation of BNPP Unit No.1;
* Modernization of BNPP-1;
* Technical Support and Consultancy services at new NPP Units with VVER-1000 in the course of design, construction and operation.

2.2 The Consultant also undertakes to provide computer codes and software and their relevant training to TAVANA personnel if requested by the Client under the terms and condition to be agreed by the Parties in a separate agreement.

# ARTICLE 3- SCOPE OF SERVICES

* 3.1 The non-limited list of areas of the Technical and Engineering Support services are as follows**:**
* Reviewing the report on the condition and qualification of equipment and their suitability
* Assistance on development of an efficient surveillance and equipment qualification program.
* Configuration management development and implementation for Bushehr NPP-1,
* Technical consultancy in equipping the laboratory for surveillance specimens of reactor,
* Consultancy services for a stress test and severe accident management of Bushehr NPP-1,
* Life Time Management and Ageing Management,
* Verification & Validation of thermal-hydraulic model,
* Radioactive Waste Management and Spent Nuclear Fuel,
* Conducting Probabilistic and Deterministic Safety Analyses (PSA’s and DSA’s),
* Technical and Engineering services in modification and modernization of systems and equipment,
* Design review and technical supervision for construction of new NPPs,
* Conduct of special training courses and on-job training for the Client’s specialist in the field of Technical Support and Engineering Services
* Provision of computer codes and software and their relevant training to TAVANA personnel if requested by the Client under the terms and conditions to be agreed by the Parties in a separate agreement..
* Any other technical issues which may be requested by the Client

# ARTICLE 4- OBLIGATIONS OF THE CLIENT

4.1 The Client shall consider and accept the performed Services by the Consultant and effect payments the accepted Services based on the terms and conditions specified in the Agreement.

4.2 Before the specialists are assigned to render the Services to the Client under Article 3, the Client shall submit to the Consultant the Work Order, which includes, among others, description of the required Services, qualification, enterprise, duration of Services, etc. (See Appendix 1).

4.3 The Client shall assist the Consultant, to the possible extent, in obtaining all necessary information and documents in written form to ensure that the Consultant’s specialist can enter IRI in accordance with IRI legal requirements for entry and stay.4.4 The Client undertakes to ensure access of the Consultant’s specialists, as required, to all related and available regulatory and supervisory documents related to subject of the Agreement. All the above mentioned documentation, if available, shall be provided in English or Russian language. The Client shall also provide the Consultant with access to the related Site buildings and structures if required.

4.5 The Client is entitled to check the working capability, discipline of the Consultant’s specialist on regular or random basis.

4.6 The Client reserves the right to request the Consultant to replace any of the assigned Consultant’s specialists at any time during the performance of the Agreement. Such a request, however, shall be based on the insufficient qualification level, serious violations of the company’s internal rules, and breach of public order in IRI).and without giving any reason.

4.7 The Client undertakes to provide the Consultant’s specialists with office premises and all necessary working facilities at the Client’s expense, such as computer per each specialist, shared fax machine, shared printer and copy machine, and also e-mail and international telephone line only for authorized representative of the Consultant at the Consultant’s expense, personal protective equipment and clothing. Videoconferences and electronic messages associated with the on-Site available services, as well as Direct Distance Dialing telephone calls made to the main office of Consultant in Sofia shall be paid by the Client.

4.8 The Client undertakes to provide each Consultant’s expert with single units in the BNPP’s Camp.

4.9 The Client undertakes to provide each Consultant’s specialist sent to Tehran with a single room in a four-star hotel.

4.10 Assigned specialists are supposed to make their meals at their own expenses. Besides, the dispatched specialists are entitled to have their meal at their own expenses at the public canteen of the Client.

4.11 The Client shall, at the Client’s expense, timely meet and see off the dispatched specialists at the Tehran International Airport and Bushehr domestic airport, and provide for the Consultant’s specialist transfer between residential area and Bushehr NPP Site and over Bushehr NPP Site territory

Technically fit transport vehicles (bus shall be provided for the assigned specialists’ travel to the working place on BNPP Site and back to the residence place in Bushehr before the beginning and after ending of a working day).

In Tehran, the Client shall ensure the Consultant’s specialist transportation to their workplaces and back to their residence place before the beginning and after ending of a working day.

4.12 Assigned experts shall be provided with medical services out patiently at existing polyclinic in BNPP’s camp as well as assistance on receiving medical services in Bushehr and Tehran cities. The services like installation of dentures and glasses purchasing for the Consultant’s assignees shall be affected at their own expense. The assigned specialist with acute pain or serious illness will be transported to emergency hospital of the Client as quickly as possible. The expenses for hospital treatment will be reimbursed by the Consultant. If an injury occurs to the Consultant’s specialist during the working time due to the Client’s fault, which has been recognized by the Parties, all the expenses associated with the medical treatment, prosthetic appliance and material compensation for the health injure of the Consultant’s expert are to be covered by the Client

4.13 The Client at its own expense shall arrange annual medical examination of the experts or specialists who will stay at BNPP Site over 1 (one) year and put the examination reports on personal record in accordance with existing regulation of the BNPP-1.

4.14 If any of the Consultant’s assignee dies while staying in IRI, the Client undertakes to develop a package of necessary documents and transport the body of the deceased to Sofia at the expenses of the Consultant.

4.15 The Client shall provide to the Consultant's specialists, who perform their work within the harmful condition with the protective and supplementary diet served at BNPP Site

4.16 The Client shall provide monthly personal accounting and control of visiting by the Consultant's specialist of the Controlled Access Area as well as submitting of Certificate of Radiation Burden of the Consultant's specialist for each year on the request of the Consultant.

4.17 The Client undertakes to appoint the concerning persons as its Representatives, who on behalf of the Client shall be responsible for all works arrangement, coordination, reviewing and signing the relevant documents with the Consultant for any matters arising from and in connection with the implementation of the present Agreement upon the completion of the works.

# ARTICLE 5- OBLIGATIONS OF THE CONSULTANT

5.1 The Consultant undertakes to carry out the services subject of the Agreement diligently and select qualified specialists according to the requirements of each task as described in the relevant Work Order and send by fax the names and qualifications of the candidates to be dispatched to IRI for review and approval by the Client. However, such approval shall not relieve the Consultant from its obligations and responsibilities on assigning of the qualified specialist and further consequences on Technical and Engineering Support.

5.2 The Consultant shall carry out most of the task in IRI as far as possible and with participation of Client’s technical experts. In this regard the on-the-job training of Client’s personnel shall be observed in efficient way.

5.3 The Consultant shall be responsible for obtaining all travel documents and visas for the assigned specialists to be delegated to IRI. The Client undertakes to provide assistance in obtaining the visas, such as timely presenting the letters of invitation.

5.4 At least 5 days before the departure, the Consultant shall send personal information by fax, which indicates the names and positions of experts, as well as copies of their passports and arrival notice: departure time, destination, flight No., the authorized representative for each group.

5.5 The Consultant at its own expenses shall take measures for getting employment permits for the Consultant’s specialist issued by the respective authorities. However, the Client shall render assistance to the Consultant in this respect.

5.6 During the performance of the Services envisaged in the present Agreement, the Consultant, upon agreement with the Client, can recall and replace its assigned specialist with other assignees with the same qualification because of health condition or other reasons. The Consultant undertakes to bear all charges connected with the recall and replacement of the specialist.

5.7 The Consultant’s assignees for delegations to IRI shall be familiarized to observe the laws of IRI and respect the customs, laws, decree, regulations, orders, licenses, permits, and other official provisions valid in IRI and traditions existing in IRI, fulfill regulations in force in the Iranian organizations, as well as office routine, safety manuals and other rules, with which they will be acquainted in these organizations.

5.8 The Consultant’s Authorized Representative is also responsible for making the arrangement and coordination of interaction with the Client.

5. 9 The Consultant shall at its own expense provide its assigned experts with the medical insurance and casualty insurance.

5.10 The Consultant’s specialists involved in rendering Services under the Agreement undertake to work in close collaboration in the framework of the Agreement, taking into account competence and limitations of the IRI’s laws and legislations accordingly.

5. 11 The Consultant shall adhere to the rules and regulations of the BNPP related to safety and radiation protection. The specialists of the Consultant shall work in accordance with the requirements of IRI legislation in the area of radiation protection. It is imperative to the Consultant’s specialists to receive training related to safety and radiation protection before carrying out the assignments under the Agreement.

In case the radioactive contamination of the Consultant’s specialist occurs due to its incompliance of the radiation protection instructions, the fact shall be investigated by the Commission, the results of such investigation findings shall be made in writing prior to departure of the above specialist from BNPP site.

5. 12 The Consultant shall be responsible for timely fulfillment of its obligations under the present Agreement.

5. 13 The Consultant is responsible for any damages inflicted to its specialist, property and sub-Consultants during performance of the present Agreement, except in case of Client’s fault.

5. 14 The Consultant is responsible for damages due to the non-observance of all applicable laws, regulations and official decrees of IRI and BNPP-1 Site and the Client has no obligation in this regard. 5.15 The Consultant is responsible for damages inflicted to the personnel and properties of the Client and to the personnel and properties of the Client sub-Consultants due to performance and non-performance of its obligations under the present Agreement.

5.16 The Consultant is responsible for any damages or injuries as a result of implementation of its obligations under the present Agreement confirmed by the Special Committee established by the Parties

 5. 17 The Consultant shall be responsible for observing the regulation of nuclear safety, radiation safety, fire safety and industrial safety existing in the BNPP-1 and respective consequences during the performance of the obligations under this Agreement.

5. 18 The Consultant shall provide monthly report for all tasks under performance in accordance with the format defined in Appendix 2 to this Agreement. Furthermore, the reporting periods of the Work Orders shall be specified by the Parties depending on the specifications and kind of the works in the time-schedules of performance in Technical Assignment. For the Work Orders the successful completion report shall be handed over to the Client by the Consultant.

5. 19 The Consultant has undertaken to provide originally developed computer codes and softwares requested by the Client with all source codes, libraries, user manuals, related certificates and other necessary accessories the terms and conditions to be agreed upon by the Parties.

5. 20 The Consultant shall issue certificate for the Client’s personnel upon completion of the training program including training on the computer codes and software by the Consultant.

5.21 The Consultant shall not have the right to assign this Agreement in whole or in part to third parties without obtaining the Client’s prior written approval in this respect.

# ARTICLE 6- REMUNERATION AND PAYMENT

6.1 The Parties agree that the general pricing and commercial terms for the scope of the work for the Services rendered under this Agreement and the Work Orders to be concluded shall be the according to the following hourly labor unit rates:

|  |  |  |
| --- | --- | --- |
|  | **REL home office rates** | **REL on-Tehran/site IRI rates** |
| Category | Labor (Man-hour) rate (EUR) | Labor (Man-hour) rate (EUR) |
| Project Manager | 88 (95) | 110 (115) |
| Senior Expert (over 10 years of experience) | 80 (85) | 100 (105) |
| Senior Expert (5 to 10 years of experience) | 72 (76) | 90 (95) |
| Junior expert | 50 (53) | 66 (70) |

6.2 The rates, as described in Paragraph 6.1, shall be subject to escalation on a yearly basis upon agreement of the Parties. Promptly after the official publishing of the inflation index, the Consultant shall notify the Client about the new hourly rates proposed.

6.3 The above mentioned rates do not include any additional costs. For the purposes of this Agreement additional costs mean “the expense costs” associated with the travel from the point and time of departure until the return of the Consultant’s personnel, transportation costs (including internal transport within the territory of IRI ), and accommodation costs in the frame work of the Agreement. In case that the Client requests for Consultant’s personnel to travel to IRI, the Client shall be responsible for all the above additional costs. The Consultant will invoice, with supporting auditable documents, evidencing the additional costs.

6.4 The Consultant shall pay all taxes, customs duties and other fees applicable and imposed in Republic of Bulgaria during the Agreement execution.

6.5 Consular fees levied from the Consultant by IRI Embassy or Consulate in Republic of Bulgaria due to the Agreement execution shall be paid by the Consultant.

6.6 The Consultant shall pay all IRI legal taxes and duties, including and namely:

* Income and direct taxes and duties for social insurance for obtaining the social insurance certificate,
* Fees for obtaining and issuance of work permits and residence permits regarding the Consultant’s specialists employed to work in IRI for the purpose of the Agreement execution.

6.7 The Consultant’s invoices shall be effected by the Client after deduction the retention money and IRI direct taxes. The Client shall also submit to the Consultant document on confirming the deducted IRI tax as amount of 5% from the Consultant’s invoices. Furthermore, the Client shall submit to the Consultant the namely document on incurred expenses which has been deducted from the Consultant’s invoices (if any).

6.8 In case of any changes in the taxation after signing of the present Agreement, the Parties shall adjust and modify the Agreement pricing and commercial terms accordingly.

6.9 The Consultant shall comply with the applicable IRI tax legislation.

6.10 The IRI Value Added Tax applicable for the performed Services by the Consultant shall be paid by the Client according to the IRI taxation Laws and Regulations.

# ARTICLE 7- TERMS OF PAYMENT

7.1 Payments for the Consultant's Services shall be effected by the Client to the Consultant through bank draft/transfer by the Client’s bank in accordance with the terms and conditions of the present Agreement.

7.2 The Consultant shall introduce full detail of its account number and bank into the respective invoices.

7.3 The price of the accepted Consultant’s Services as stipulated in the Paragraphs ……………….to the present Agreement shall be paid to the Consultant 30 days after approval of Consultant’s signed commercial invoice through bank transfer based on the following necessary documents and provision:

* Certificate of Task Completion approved by the Client in two originals and two copies (the format of the certificate is specified in Appendix 3)
* Signed commercial invoice in two originals and two copies (the format of the invoice is given in Attachment 4).

7.4 The Consultant shall issue the invoices for each part of the Services rendered from which %5 shall be deducted as IRI direct Tax and 10% shall be deducted as retention money.

7.5 All bank charges related to the present Agreement incurred in IRI shall be covered by the Client and outside of IRI shall be borne by the Consultant.

7.6 10% (ten percent) of the amount of each Consultant's invoices shall be deducted by the Client as good performance guaranty for the rendered Services and will be released within 45 days after elapse of a period of 6 months from the completion date of the Services rendered by the Consultant against submission of the approved Certificate on Release of Retention by the Client in accordance with Appendix 5 provided that the Consultant has satisfactory performed its obligations during the guaranty period

7.7 The Client shall consider and sign the Certificate on Release of Retention within 7 working days upon expiration of the period as per ……………. and receiving of the related Certificate.

7.8 In the event that the Consultant fails to perform the Services within the time period agreed by the Parties due to reasons attributable to the Consultant or if the Agreement is terminated due to the Consultant’s negligence, the Client shall have the right to forfeit this retained guarantee amount in its favor as part of the compensation to the Client.

# ARTICLE 8- SEPARATE AGREEMENTS (WORK ORDERS)

The content of each Work Order shall include but not limited to parts given in Appendix 1 to this Agreement.

# ARTICLE 9-TRAINING AND QUALIFICATION

 Both Parties will discuss the possible implementation of a program for sharing management and technical knowledge through mutual training programs, courses, internships and exchange of personnel between the Parties’. It is intended that the personnel exchange program will include transferring of employees who will be given the opportunity to work in all areas of the host Party’s business on substantially the same basis as this host party’s own professional employees of comparable seniority.

# ARTICLE 10- LANGUAGE

10.1 English shall be the official language for the present Agreement and for all documents of payments between the Consultant and the Client.

10.2 All technical documentation presented by the Consultant shall be provided in English language.

# ARTICLE 11- COORDINATION

11.1 This Article defines general principles of coordination for the implementation of the present Agreement

11.2 The Parties shall authorize their respective representatives to coordinate all activities during the implementation of the Agreement and may also authorize other representatives stayed in Republic of Bulgaria or in IRI to deal with matters related to the Agreement within their respective scopes of responsibility within one week after commencement date of the present Agreement.

11.3 The information related to the authorized representatives (including, amongst other things, names, sex, telephone No., fax No, e-mail address, etc) shall be presented to each other by both Parties within two weeks after the date of signing of the Agreement.

11.4 The method of communication used by the Client and the Consultant shall be through different channels, e.g. correspondence, letters, fax, e-mail, personal contacts, meetings, telephone, etc.

11.5 Communications on management, commercial and technical issues could be conducted verbally or by electronic means including e-mail at first for the sake of convenience and speediness. Afterwards they shall be officially confirmed by legible writing forms.

# ARTICLE 12- SUSPENSION OF OBLIGATIONS

12.1 During implementation of this Agreement, the Client shall have the right to suspend the rendering of the Services or any portion thereof by giving to the Consultant a written notice thereof by fax 7 (seven) days prior to the effective date of the suspension. The written notice shall specify Services or the portion of the Services to be suspended and the effective date of suspension and the estimated date of resumption, if possible. The original copy of suspension notice shall be sent to the Consultant by registered airmail thereafter or is handed-over to the Consultant’s representative.

12.2 Upon the Client notification, the Consultant shall suspend rendering of Services specified in accordance with the notice and use its best efforts to minimize the impact of the suspension with the assistance of the Client. However, the Consultant shall continue to carry out all unsuspended rendering of Services.

12.3 If the above suspension is caused by reasons for which the Consultant is responsible, then the Consultant shall correct its imperfection or mistake in performing its obligations under the Agreement or eliminate deviation from the quality standards specified in the Agreement and resume the rendering of Services as soon as possible without any extra costs to the Client. The Consultant undertakes to eliminate the reasons for suspension at its expenses and shall reimburse to the Client related direct costs actually incurred by the Client resulting from the said suspension. The Consultant shall cover the related direct or indirect expenses in connection with the suspended services at its own cost.

12.4 If the above suspension is caused by the reason for which the Consultant is not responsible, then the Client shall reimburse to the Consultant related direct expenses actually incurred by the Consultant directly as the result of the mentioned suspension subject to submission of evidence documents.

12.5 The Consultant undertakes to resume rendering of Services immediately after the cause of the suspension is eliminated and after receiving the written notice by facsimile or e-mail from the Client concerning the end of suspension. The original copy of the notice shall be sent to the Consultant by registered mail thereafter.

12.6 The Consultant shall have the right to suspend the respective Services under the Agreement in case the Client refuses to accept such Services without any justifiable reasons.

12.7 The Consultant shall have the right to suspend the respective Services under the Agreement in case the Client has failed to pay completed and accepted Services within 90 days after the due date for payment of such Services. Upon payment of the due amount by the Client, the Consultant shall resume the Services forthwith.

# ARTICLE 13- PROPERTY RIGHTS

13.1 The Client is entitled to use only within the territory of IRI, any intellectual property developed and/or provided by the Consultant during implementation of this Agreement. The Consultant, as concerns all its Services, shall be responsible for and shall indemnify and hold the Client harmless from all charges, expenses, including legal fees, losses or damages which may arise in connection with any claim, action or charge based on the grounds that the Client or the Consultant or their agents have in any way violated or infringed any patents or other intellectual property rights of third parties. The Consultant shall at its own costs acquire, if necessary, intellectual property rights and patent or licenses associated with its obligations.

13.2 It shall be the Consultant’s responsibility to take without delay all corrective steps to avoid or to eliminate infringement or any harmful consequences to the Client thereof.

13.3 In the event claims, whether in or out of court, are brought against the Client for such infringement of intellectual property rights and patent in connection with the Consultant’s obligations, the Consultant shall hold the Client harmless from and against any such claims or demands made by holders of intellectual property rights and patent. The Client shall inform the Consultant immediately of such claims, and to the extent possible shall authorize the Consultant to conduct any relevant legal proceeding under its own name. Without the Consultant’s consent, the Client shall not admit the validity of any claims of holders of intellectual property rights and patent.

13.4 Any information regarding joint research carried out under the present Agreement may be transferred to third party exclusively by a written agreement between the Parties.

13.5 The Parties have no right to transfer any documents received from the either Party to third party without written agreement between the Parties.

# ARTICLE 14- GUARANTEE

14.1 The Consultant guarantees the appropriate qualification of its specialists dispatched to perform the Services in Tehran and/or at the BNPP Site and/or Bulgaria.

14.2 The Consultant guarantees that its Services are in accordance with the terms and conditions of the present Agreement and standard, norms, and regulations valid at BNPP-1 and in conformity of the Unit. The Client shall provide the Consultant in advance with the sufficient information on mentioned standards, norms and regulations.

14.3 The Consultant guaranties the performance and the quality of the Services rendered by its personnel and warrants the quality of the Services shall be in accordance with the update know-how, expertise and knowledge and the latest international practices, proven rules, regulations and proved modern European standards for nuclear power plants.

14.4 The Guarantee period of the rendered Services are as follows;

* For Technical Support and Engineering Support provided by the Consultant’s specialist is 6 (six) months and will start from the date of signing of the related Certificate on Performed Services by the Client.

14.5 The Consultant’s guaranties and obligations related to the transfer the right of use on computer’s codes and software shall be specified by the Parties in framework of respective Work-Order accordingly.

# ARTICLE 15- FORCE MAJEURE

15.1 Neither the Client nor the Consultant, including its sub-Consultants, shall be liable for failure to meet the contractual obligations under the Agreement in full or in part due to Force Majeure.

15.2 Any circumstances which affect a Party in the performance of its obligations under the Agreement, which circumstances are extraordinary, beyond the reasonable control of the affected Party, unforeseeable after or at the effective date and for which such Party is not otherwise responsible, shall be considered as Force Majeure to the extent that the effect of such circumstances make it impossible for the affected Party to fulfill any of its obligations under the Agreement.

15.3 The following are examples of circumstances which shall be considered as Force Majeure if they meet the requirements of Paragraph 15.2:

1. Acts of God;
2. war;
3. disasters;
4. mass riots;
5. strikes;

15.4 Should Force Majeure occur, the Parties shall mutually agree on the measures to be taken to minimize the effect of these circumstances.

15.5 However, in any such case the affected Party must have taken in good time all necessary measures to avoid or minimize the effects of such circumstances and may only claim Force Majeure in relation to affects occurring in spite of such measures.

15.6 Should Force Majeure circumstances arise, as defined in Paragraph 15.2, the Party wishing to claim Force Majeure as a justification for non-performance of its obligations under the Agreement must notify the other Party in writing forth with, upon occurrence of such circumstances, and produce adequate evidence thereof, certified by competent authorities of the related country.

15.7 Should the Party affected have neglected to notify the other Party within two weeks from the moment when it had learnt on such circumstances, certified by the competent authorities, such Party shall have no right to claim for Force Majeure.

15.8 If Force Majeure circumstances arise, as defined in present Paragraph 15.2,and if the affected Party has fulfilled its obligations under this Paragraph 15.5 and 15.6, then the affected Party shall be released from performing of its obligations on time under the Agreement, but only to the extent that said Party was prevented from performing such obligations by Force Majeure. Should Force Majeure have caused delays in the performance of the Agreement, the Time Schedules shall be revised.

15.9 In case of Force Majeure each Party shall bear its own costs independently of the territory of the origin of Force Majeure circumstances.

15.10 However, in case Consultant has been prevented from fulfilling the Subject of the Agreement for a period of more than 12 (twelve) consecutive months from the date of occurrence of such event and the Parties have not reached an agreement or otherwise terminated the Agreement, each Party shall bear its own additional cost resulting from the Force Majeure after such period.

# ARTICLE 16- SETTLEMENT OF DISPUTES

16.1 Any and all disputes, disagreements, or questions which may arise between the parties in connection with the interpretation of the Agreement or the validity or enforceability or performance or non-performance thereof shall be at first stage settled by amicable negotiations between the Parties and if necessary through their highest management.

16.2 In case such dispute or disagreement is not settled by amicable discussions between the Parties within three (3) months from the commencement of such negotiations, then it will be referred to a board of experts of the Parties consisting of three (3) experts in the field related to the nature of dispute. Each Party shall appoint one expert and the third expert shall be appointed by mutual agreement between the Parties. The board of experts shall render its opinion within 3 (three) months and such opinion shall be binding if it is accepted by the highest management of the Parties.

16.3 In case the opinion of the board of experts is not accepted by the highest management, then any disputes arising out of the Agreement shall be finally settled by three arbitrators in accordance with the Rules of Arbitration of the International Chamber of Commerce (ICC). Each Party shall appoint its own arbitrator and the two thus appointed arbitrators shall select a third arbitrator, by mutual agreement. The third arbitrator shall act as the umpire of the Arbitral Tribunal.

The decision of the Arbitral Tribunal shall be final and binding upon both Parties.

16.4 The pursuit of disputes shall not confer upon the Consultant any right to cease the fulfillment of its obligations under the Agreement.

16.5 The language of arbitration shall be English and the seat of arbitration shall be Vienna, Austria.

16.6 The nullity, unenforceability or termination of the Agreement shall have no effect on this Article.

# ARTICLE 17- LIABILITY

17.1 Subject to the limitations set forth in Article 24, the Consultant shall be liable for the loss or damages to the Client/BNPP1’s personnel and property as result of intentional act or negligence by its personnel or by the personnel of its sub-Consultants.

17.2 The Consultant has undertaken to timely perform its obligations and Services based on the agreed time schedules and deadlines. In case of delay in performing of the Services by the Consultant for which the Consultant is responsible in accordance with the records of the Services performing, then the Consultant shall be responsible for the consequences of such delays and is responsible to pay to the Client by consideration of the maximum 5% of the said agreed time related to each Service as a grace period according to the following computation formula:

D=Duration of agreed time schedule

M=Maximum delayed time the total amount of the penalty will be 20% of the price of each Service = 25% \*D

From the end of agreed time up to expiry of grace period= zero

From the expiry of the grace period up to 0.2\*M= 1% price of each Service

From the 0.2\*M up to 0.3\*M= 3% price of each Service

From the 0.3\*M up to 0.5\*M= 6% price of each Service

Should the Consultant have failed to pay the sum of the above-mentioned penalty, then the Client has the right to deduct the amount of the penalty from the Consultant’s any due payment.

The period of reviewing and signing by the Client the Certificate of Task Completion specified in Appendix 3 shall not be considered as a period of delay.

 However, the Consultant shall take necessary measures for hindrance of probable delays. In any case the total amount of the penalty shall not exceed 20% of the price of the related Services.

17.3 The liability of the Consultant shall not exceed 100% ( hundred percent) of the annual price of the Services to be rendered under the Agreement in the year for which loss or damage has occurred, regardless of the number of loss infliction cases.

17.4 The Consultant shall not be liable for any losses, damage, or any costs for which the Client is responsible.

17.5 In case the Consultant does not receive any amounts due under the present Agreement within 3 (three) months for which the Client is responsible, the Consultant shall not have the right to suspend the Services under the Agreement in accordance with Article 12.7 of this Agreement. .In case the Consultant is not responsible; the Consultant shall submit a written request for payment to the Client. Then, the Parties shall seek to reach a mutually beneficial solution within an additional two months. If no solution is reached, the Consultant may exercise its right to suspend the related Services. Upon payment of the due amount by the Client, the Consultant shall resume the Services forthwith.

# ARTICLE 18- CONFIDENTIALITY

18.1 During the validity of this Agreement the Parties will exchange confidential and proprietary information as may reasonably be necessary to perform their obligations hereunder. All available means shall be used by the Parties to avoid unauthorized disclosure or use of such information by employing no less than the same degree of care for said information that they use with respect to their own proprietary information.

18.2 Each Party shall use any information which it receives from the other Party only for the purposes for which it has been provided, and shall prevent third parties from gaining access to it and treat it in the same way as its own business secrets. This confidentiality obligation shall not apply to information which is generally known, which can be shown to have been independently developed by the recipient, or which has been acquired from a third party without nondisclosure obligation to the disclosing party. This obligation shall not apply if a Party is required by statutory regulations to reveal the information it has obtained, in which case the Party so required shall provide the other party with prompt notice in order to enable this party to seek an appropriate protective order or other remedy.

18.3 In addition to the Work Order of the above general rules, the Parties will determine the detailed confidentiality rights and obligations relevant for the treatment of the confidential and proprietary information to be exchanged in connection with each Work Order.

18.4 This confidentiality will be remained valid and enforced for 10 years after termination of the Agreement.

# ARTICLE 19- EFFECTIVENESS AND DURATION OF THE AGREEMENT

19.1 The effective date of the present Agreement shall be the signing date of the Agreement.

19.2 The commencement date of the Agreement shall be the date in which the Parties officially notify to one and other within three months from the signing date of the present Agreement that they have received necessary permits from competent authorities; otherwise the Agreement shall be null and void.

19.3 The duration of the Agreement for rendering Technical and Engineering Support is three years and shall be started from the date of the Agreement coming into effect and be valid until the Parties fulfill their obligations stipulated in the Agreement, unless otherwise specified in other agreement made by the Parties. The Agreement may be extended by mutual agreement of the Parties for another three years.

# ARTICLE 20- TERMINATION AND CANCELLATION OF THE AGREEMENT

20.1 The Client shall at any time during the period of the Agreement have the right to terminate the Agreement by giving 3 (three) months prior written notice thereof to the Consultant. Should the Client choose to exercise its right under this Paragraph then:

* If such a termination is not caused by reasons for which the Consultant is not responsible, the Client shall pay to the Consultant the unpaid amount of the performed Services approved by the Client, with balancing of all payments already made by the Client to the Consultant or,
* then the Consultant shall reimburse the Client all costs incurred by the Client due to such a termination and the Client shall claim against the retention amount set forth in Paragraph 7.4of the present Agreement.

20.2. The Consultant have the right to terminate this Agreement by giving 3 (three) months prior written notice to the Client, if the Client has breached this Agreement and such a breach has not been cured by the Client in a reasonable period given by the Consultant. Should the Consultant choose to exercise its right under this Paragraph, the Client shall pay to the Consultant all outstanding amounts (including the interest and the all already retained amounts) due for the performed Services and all costs incurred by the Consultant due to such termination.

# ARTICLE 21 - GOVERNING LAW

21.1 This Agreement shall in all respects be governed by the laws of Islamic Republic of Iran which shall include all decrees, legislation, regulations and rules in force promulgated by Iranian authorities and decisions made by said authorities during the validity of the Agreement.

# ARTICLE 22- OTHER POTENTIAL FORMS OF COOPERATION

22.1 Subject to feasibility analysis and availability of qualified personnel and other resources, the Parties may agree to discuss additional technical cooperation endeavors such as technology R&D collaboration and/or exchange of know-how, as well as other joint commercial activities of mutual interest and other integration and support opportunities consistent with the intent and purpose of this Agreement.

# ARTICLE 23- MISCELLANEOUS

23.1 Any amendment or addendum shall be confirmed by signing the relevant amendment or addendum to the Agreement by the Parties.

23.2 All the Appendices to the present Agreement are as integral part of the Agreement and have the same force as the Agreement itself. Should the provisions of the Agreement be amended, modified, or supplemented, the official representatives of both Parties shall sign amendments to the Agreement. Such documents shall be integral part of the Agreement and have corresponding effectiveness.

23.3 The Agreement provisions together with the Appendices shall supersede any prior Agreements, agreements, letters or any other prior statements, verbal or written, between the Parties with respect to the Subject of the Agreement from the moment of the Agreement comes to effective as per Article 20 of the Agreement.

23.4 All parts of the Agreement are equally binding on the Parties. However, in the event of a discrepancy or conflict in the interpretation of any part(s) of the Agreement provisions and any part(s) of the Appendices, the Agreement provisions shall take precedence.

23.5 Should for any reason any of the provisions of the Agreement is or become void, the remaining parts thereof shall remain valid. The Parties shall agree, if necessary, upon replacement of such void provision with a valid one corresponding as closely as possible to the intention of the void provision.

23.6 This Agreement is made and signed by the Parties in 2 (two) original copies in English language, one original for each Party.

23.7 No modification shall be effective unless it is in writing and agreed upon by the Parties.

# ARTICLE 24- THIRD PARTY NUCLEAR LIABILITY

24.1 The Consultant, under no circumstances, shall be responsible for nuclear damage to the Client and third Party.

24.2 The Client shall bear the general responsibility for providing of the nuclear, radiation, fire safety, industrial safety, as well as of the environmental protection. However, the Consultant's personnel shall be responsible for observing the regulations of nuclear safety, radiation safety, fire safety and industrial safety within the rendering Services.

24.3 The Consultant shall be responsible for any damages, losses, or any expenses occurred as a result of intentional or negligence act of its personnel.

24.4 The Consultant shall hold the Client harmless against all claims on the part of the personnel of the Consultant and its sub-Consultants in respect of damages or losses suffered from them.

24.5 The Consultant or its specialist shall never be liable for any loss or damage of the Client’s equipment or property, if it is caused by a nuclear incident occurring, due to the reason or reasons not attributable to the Consultant in connection with the Agreement and shall not bear expenses associated with recovery actions.

# ARTICLE 25- LEGAL ADDRESSES

Notices to be served under the Agreement shall be in writing and will take effect from receipt at the addresses stated below. Delivery can be by hand, courier mail, e-mail or facsimile message against a written confirmation of receipt or by registered letter or by telex subsequently confirmed letter.

Client’s Address:

No. 8 ,Tandis St.

Afrigha (Nelson Mandela) Ave.

Tehran, I.R. Iran

Email tavana@nppd.co.ir……………

Tel. +98 21 24882420…………………………………

Fax +98 21 24882424……………

Consultant’s Address:

10, Vihren str., 1618 Sofia, Bulgaria

Email: bogomil.manchev@riskeng.bg

Tel. +359 2 8089702

Fax. +359 2 9507751

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed the day and year first before written in accordance with their respective laws in three originals.

**AUTHORISED SIGNATURE(S) OF THE CLIENT**

Signature

Name Mohammad Ghods

Position General Director

Date …..,…., 2016

Signature

Name Gholamali Doustmohammadi

Position Chairman of the Board of Directors

Date …..,…., 2016

**AUTHORISED SIGNATURE(S) OF THE CONSULTANT**

Signature

Name Bomogil Manchev

Position Executive Director **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

Date …..,…., 2016

**APPENDIX 1 – Work-Order Form**

WORK–ORDER No ……….«\_\_\_»\_\_\_\_\_\_\_\_20\_\_.

To Agreement No. dated «\_\_» \_\_\_\_\_\_\_20\_\_ .

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

* Request for proposal (RFP) issued by the Client;
* Technical and commercial proposal, submitted by the Consultant;
* Special Conditions;
* Additional conditions for rendering services
* The Attachments, namely:
	+ - Attachment A: Scope of Services (work program)
		- Attachment B: Remuneration and Payment together with Calculation of the cost of the Services to be rendered in detail
		- Attachment C: Timetable and Schedule
		- Attachment D; Other special terms and conditions (if any)
		- Attachment E: Conditions of the Consultant’s guarantees and warranties

CLIENT CONSULTANT

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Dated:

“\_\_\_\_\_”\_\_\_\_\_\_\_\_\_\_\_\_\_ 20 \_\_\_ . “\_\_\_\_\_”\_\_\_\_\_\_\_\_\_\_\_\_\_ 20 \_\_\_ .

**APPENDIX 2-The Consultant’s Monthly Report**

**(To be agreed later)**

**APPENDIX 3- Certificate of Task Completion**

CERTIFICATE No.\_\_\_

We, as signed below, on behalf of the Consultant by ………………………..……….,

 by power of attorney No……………...…., and on behalf of the Client by Mr. Mohammad Ghods, General Director of Nuclear Power Plants Safety Development and Improvement(TAVANA) Company, confirm the fulfillment of performance of the Consultant's obligations on:

(Technical and Engineering Support of Operation of BNPP-1,

Or (Technical and Engineering Support for modernization of BNPP-1),or Computer codes and software/ training of the TAVANA personnel) within the framework of the Agreement.

Signing of this Certificate should be the basis to draw up an invoice by Risk Engineering Ltd. which sum is due for performed Services as per the Work Order No……...

CLIENT CONSULTANT

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Dated\_:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

“\_\_\_\_\_”\_\_\_\_\_\_\_\_\_\_\_\_\_ 20 \_\_\_ . “\_\_\_\_\_”\_\_\_\_\_\_\_\_\_\_\_\_\_ 20 \_\_\_ .

**APPENDIX 4-Format of the Consultant’s Invoice**

Risk Engineering Ltd.

To the Client:

Nuclear Power Plants Safety Development and Improvement Co.(TAVANA)

No. , Tandis St., Nelson Mandela Ave.,

Tehran, I.R. of Iran

Invoice No.:…

Dated:…/…/….

Consultant:

Risk Engineering Ltd.

Dated: …/…/...

.

General Description of the Task Performed Amount (Euro)

Services for BNPP-1 according to the above mentioned Agreement and Certificate.

Gross Amount

Less:

Tax (5 %)

Retention (10%)

Net Amount Payable ………………….(Euro)

(word…………….(Euro)

Risk Engineering Ltd.

Executive Director: ………….

 …….. (Signature and stamp)

**APPENDIX 5–Certificate on Release of Retention**

We, as signed below, on behalf of the Consultant by ……….…………………….,

on behalf of the Client by …………………………...……, confirm the fulfillment of the Consultant's obligations regarding Good Performance of the Consultant's obligation under the Agreement on rendering of Engineering and Technical Support of the Bushehr NPP Unit No. 1 at \_\_\_\_\_\_\_\_\_\_\_.

Signing of its Certificate should be the basis to draw up an invoice by Risk Engineering Ltd. for payment of Retention money as per Bank Transfer No. …………., which sum is due for performed Services as per the Agreement.

Amount of retention: EURO…………………. (…………………….…....……Euro).

Fulfillment of the Consultant's obligations regarding Good Performance under the Agreement for the period from \_\_\_\_\_\_\_\_to\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ has been confirmed by the representative of the Client at the BNPP-1 Site based on the relevant performed Services.