**FRAMEWORK AGREEMENT**

This Framework Agreement (the “Agreement”) is made, today March ….., 2016,

By and between:

**NPP’s Safety Development & Improvement Company (TAVANA)**, a company duly organized under the laws of Islamic Republic of Iran, having its registered office at 8, Tandis, Sauth Africa Avenue, Tehran, Iran, represented by Mr. Mohammad Ghods, Director General, 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 in the capacity of the 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., established by **N**uclear **P**ower **P**roduction & **D**evelopment Co (NPPD), is serving as a Technical Support Organization of Bushehr NPP and is leading provider of technical consultancy, engineering services and project and asset management services to the nuclear energy industry

**WHEREAS**, Risk Engineering Ltd. has extensive experience, know-how and capabilities, and is currently engaged in providing support to utility clients throughout the life cycle of nuclear and other energy facilities

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

**SCOPE**

Article 1. (1) The Parties agree that starting from the signature date of this Agreement the Consultant shall render Services (management and engineering services) to the Client in the following areas

* 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 NPPs.

(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 agreements.

(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 .

(4) Within 2 (two) months after the effective date of this Agreement the Parties shall negotiate and sign General Conditions that shall be applicable to all Work Orders.

**CONFIDENTIALITY**

Article 2. (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.

(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.

(3) In addition to the application of the above general rules, by signing the General Conditions under Article 1(4) 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 a Work Order.

**REMUNERATION AND PAYMENT**

Article 3. (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 labour unit rates:

|  |  |  |
| --- | --- | --- |
|  | **REL home office rates** | **REL on-site rates** |
| Category | Labour (Man-hour) rate (EUR) | Labour (Man-hour) rate (EUR) |
| Project Manager | 110 | 140 |
| Senior Expert (over 10 years of experience) | 100 | 125 |
| Senior Expert (5 to 10 years of experience) | 90 | 115 |
| Junior expert | 65 | 82 |

(2) The rates, as described in Article 3(1), shall be subject to escalation on a yearly basis with the inflation index of the Consultant’s country. Promptly after the official publishing of the inflation index, the Consultant shall notify the Client about the new hourly rates proposed.

(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 the Client’s country), accommodation costs and per diem expenses of the Consultant’s personnel in the Client’s country. In case that the Client requests for Consultant’s personnel to travel to Client’s country, the Client shall be responsible for all the above additional costs. The Consultant will invoice, with supporting auditable documents, evidencing the additional costs.

(4) The Consultant shall not be liable for any taxes imposed upon the Consultant and/or its employees in connection with the performance of this Agreement in any country outside of the Consultant’s country. Such taxes shall include but not be limited to withholding taxes, income taxes, sales taxes, excise taxes, value added taxes and any other taxes or duties arising in any country outside of the Consultant’s country. In the event of any such taxes being imposed upon the Consultant then such taxes shall be for Client’s account. Client shall either make direct payment to the relevant tax authority (and furnish original tax receipts to the Consultant for any taxes paid by Client on behalf of the Consultant) or reimburse the Consultant in full for all costs associated with settlement of such taxes levied on the Consultant. In discharging such taxes (if any) and in order to minimize such taxes (if any) whenever possible, the Consultant shall provide the Client with reasonable assistance by means of providing information and documentation that could be legally required by the competent tax authorities.

(5) The General Conditions, to be signed by the Parties and applicable for all Work Orders, shall include at least the following basic rules:

1. Advance payment up to 15 % (fifteen percent) of the amount of the relevant Work Order by the Client against presentation of irrevocable and unconditional bank guarantee by the Consultant;
2. Wire transfers for all payments;
3. VAT invoices;
4. 70% payment of the amount of the relevant Work Order against submission of Deliverables by the Consultant;
5. 30% payment the amount of the relevant Work Order against acceptance of Deliverables by the Client

**SEPARATE AGREEMENTS (WORK ORDERS)**

Article 4. The following documents shall be deemed to form the Work Order:

* Request for proposal (RFP) issued by the Client;
* Technical proposal, submitted by the Contractor;
* General Conditions;
* The Appendices, namely:
* Appendix A: Scope of Services (work program)
* Appendix B: Remuneration and Payment
* Appendix C: Timetable and Schedule

**TRAINING AND QUALIFICATION**

Article 5. 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’ principal offices. 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.

**OTHER POTENTIAL FORMS OF COOPERATION**

Article 6. 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.

**REPRESENTATIONS AND WARRANTIES**

Article 7. The Consultant and the Client hereby represent and warrant to each other that:

1. The Consultant is an entity incorporated and validly existing under the laws of its place of incorporation, namely the Republic of Bulgaria; The Client is a public utility or statutory corporation or state owned enterprise validly existing under the laws of Islamic Republic of Iran; and
2. The Parties have the requisite power and authority to enter into the Agreement and to bind themselves by the Agreement and to execute, deliver and perform the Agreement and be bound hereby; and
3. The Agreement has been duly signed by persons acting under the authority of the respective Party in accordance with the laws of the territory in which that entity was incorporated; and
4. The Agreement has been validly signed and delivered and constitutes a valid and binding Agreement enforceable in accordance with its terms, subject only to the discretionary authority of the courts in granting equitable remedies and applicable insolvency laws;

**GOVERNING LAW AND DISPUTE RESOLUTION**

Article 8. (1) The ruling language of the Agreement and each Work Order, concluded between the Parties, shall be the English language.

(2) The Agreement and each Work Order, concluded between the Parties, shall be governed by the Swiss substantive law.

(3) Any dispute that may arise in connection with this Agreement including any question regarding its existence, validity or termination, shall be referred to and finally resolved by arbitration in Singapore in accordance with the Arbitration Rules of the Singapore International Arbitration Centre ("SIAC Rules") for the time being in force, which rules are deemed to be incorporated by reference in this Article. The Tribunal shall consist of three arbitrator(s). The language of the arbitration shall be English.

**LIMITATION OF LIABILITY**

Article 9. Neither Party shall be liable to the other Party for any direct, indirect, punitive or consequential damages, arising under or relating to Agreement. Other than Article 2, the Parties hereby release each other from, and agree not to sue concerning any claim, duty, obligation or other cause of action relating to any breach of contract; breach of representation of good faith and fair negotiating; promissory estoppel; negligent or intentional misrepresentation made during the negotiations; negligent or intentional interference with prospective economic advantage.

**OTHER**

Article 10. All Services rendered shall be in English language.

Article 11. 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:

………………………………………

……………………………………….

Email …………………………………

Tel. …………………………………

Fax …………………………………

Consultant’s Address:

10, Vihren str., 1618 Sofia, Bulgaria

Email: bogomil.manchev@riskeng.bg

Tel. +359 2 8089702

Fax. +359 2 9507751

Article 12. This Agreement constitutes the entire agreement between the Parties covering the subject matter hereof. No modification shall be effective unless it is in writing and agreed upon by the Parties. This Agreement supersedes any and all other agreements between the Parties, whether written or oral, with respect to the subject matter hereof.

Integral part of this Agreement is Appendix A – Example Work Order.

**EFFECTIVE PERIOD AND TERMINATION**

Article 13. (1) This Agreement shall become effective upon signature by both Parties and will remain in full force and effect for a period of 5 (five) years unless earlier terminated by either Party by means of a 3 (three) month written termination notice duly served to the other Party.

(2) Upon any earlier termination or expiration of this Agreement each of the Parties shall deliver back to the other Party (if requested) all documents received pursuant to the Agreement and both parties shall continue to comply with the terms of Article 2 concerning the confidential treatment of the information exchanged during the Agreement or any Work Order implementation.

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

Position

Date

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

Signature

Name **Bogomil Manchev**

Position **Executive Director**

Date