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**MAINTENANCE SERVICE CONTRACT FOR ONE SET OF MB1215HS VEHICLES
STATIONERY X-RAY SCANNER**

BETWEEN

**LEGAL ENTITY OF PUBLIC LAW-REVENUE SERVICE under MINISTRY OF
FINANCE of GEORGIA**



AND

NUCTECH COMPANY LIMITED



December 02, 2019



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This contract is executed according to the Georgian Law article 10¹, 3rd paragraph, "c" sub-paragraph „about State Procurement”, LEPL – State Procurement Agency order N4423 of November 11, 2019 and based on the consent SMP190004200 about conduction of simplified procurement.

Between

Legal Entity of Public Law- Revenue Service under the Ministry of Finance of Georgia, having its address at 16 Gorgasali St., Tbilisi 0114, Georgia (hereinafter referred to as "Buyer") which expression, where the context so permits, shall be deemed to mean and include, its successors, administrators and assigns on the one part

AND

M/s NUCTECH COMPANY LIMITED, China, having its registered office at 2/F, Block A, Tongfang Building, Shuangqinglu, Haidian District, Beijing 100084, China (hereinafter referred to as "Contractor" or "NUCTECH"), which expression wherever the context so demands or requires shall, be deemed to mean and include its legal successors, assigns, executors and administrators on the other part;

WHEREAS:

The Buyer has agreed to purchase and the Contractor has agreed to supply certain maintenance services (50610000 – repair and maintenance of safety devices) and spare parts of the Products in accordance with the terms of this Contract.

NOW THE PARTIES HAVE AGREED AS FOLLOWS: -

1. INTERPRETATION

1.1 In the Contract, unless otherwise specified:

"**Buyer**" shall, where the context requires, include its official, director, manager, employee, representative, proxy or any other person legally authorized to act on its behalf;

"**Contractor**" shall, where the context requires, include its employee, representative, proxy or any other person legally authorized to act on its behalf or subcontractor of the Contractor;

"**Contract Price**" means the price specified in clause 5 of this Contract;

"**Confidential Information**" means, with respect to either party, any and all information (including, but not limited to, commercial, industrial, financial, technical, operational, marketing, customers and Product information) in any form belonging to such party except information which at the relevant time is a) known to the public through no act or omission in violation of this Contract; b) furnished to the receiving party by a third party having the lawful right to do so; c) known to the receiving party prior to disclosure hereunder (as established by written documentation thereof) or d) independently developed by the receiving party without reference to the above-mentioned Confidential Information;

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"Hour" means a period of sixty (60) minutes within a day as the context requires;

"Intellectual Property Rights" includes all copyright and all rights in relation to inventions, registered and unregistered trade marks (including service marks, if any), registered and unregistered designs, know-how, confidential information (including trade secrets and know-how) and circuit layouts, and all other rights resulting from intellectual activities in the industrial, scientific or literary fields;

"Maintenance Services" means the Preventive Maintenance and Corrective Maintenance with required spare parts specified in Schedule A;

"Spare Parts" means the parts required for preventive and corrective maintenance of the Products;

"Operational Site(s)" means the area(s) nominated by the Buyer at which the delivered Product is to be maintained;

"Party" or "Parties" means Buyer and/or the Contractor, as the context requires;

"Products" means the one set of vehicle stationary X-Ray scanner, owned by the Legal Entity of Public Law- Revenue Service under the Ministry of Finance of Georgia.

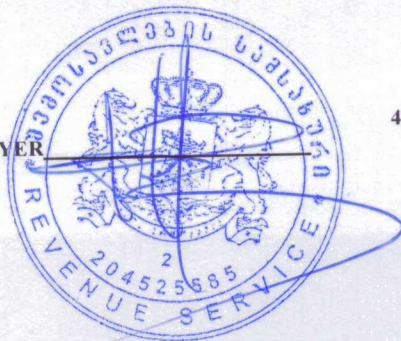
Products (Model)	Quantity	Type
NUCTECH MB1215HS KAZBEGI (Village Phansheti)	1	vehicle stationary X-Ray scanner

"USD" means the currency of the United States;

1.2 In the Contract, unless otherwise specified:

- (a) monetary references are references to USD currency;
- (b) the clause headings are for convenient reference only and have no effect in limiting or extending the language of the provisions to which they refer;
- (c) a cross reference to a clause number is a reference to all its sub-clauses;
- (d) words denoting the singular include the plural and vice versa;
- (e) words denoting individuals include corporations and vice versa;
- (f) words denoting any gender include all genders;
- (g) the Schedules and Attachment 1 is the integral part of this Contract.

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2. SCOPE AND TERM OF CONTRACT

- 2.1 This Contract shall come into force since it is signed by the Parties, from December 01, 2019 and shall remain into force through January 31, 2023.
- 2.2 The Contractor shall provide product maintenance services and spare parts necessary for such services to the Buyer from December 01, 2019 through December 01, 2022 in compliance with the Schedule A of this Contract;
- 2.3 The Contractor shall provide training services for operators and engineers for three times within the Contract period, time and place of training shall be appointed by the Buyer informed to the Buyer 2 weeks in advance.

3. EVIDENCE OF CONTRACT

The terms and conditions of the Contract are those appearing in: clauses 1 to 17 of this document, Schedules A and B, and Attachment 1.

4. OBLIGATIONS OF THE PARTIES

4.1 Obligations of the Buyer

The Buyer shall: -

- 4.1.1 provide a place at the Operational Site suitable for storage of spare parts, tools and measuring instruments for maintenance services of the Products;
- 4.1.2 ensure, at its own expenses, that all the functions of the Products are normal on the effective date of the Contract.
- 4.1.3 make payment to the Contractor for its maintenance services of the Product as per the provision in Schedule B;
- 4.1.4 provide the Contractor with necessary assistance to apply for and obtain the visas and all the licenses required for its execution of this Contract locally, if any.

4.2 Obligations of the Contractor

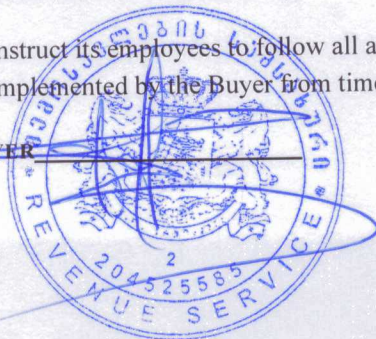
The Contractor shall: -

- 4.2.1 provide the Buyer with Preventive Maintenance and Corrective Maintenance services and spare parts as per the requirements in Schedule A of this contract;
- 4.2.2 submit the necessary reports to the Buyer as per: Form A-1, Form A-2 and Form A-3 (refer to ATTACHMENT 2);
- 4.2.3 instruct its employees to follow all attendance and security rules and procedures implemented by the Buyer from time to time;

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4.2.4 take all reasonable steps to protect the environment in relation to the performance of contractual services and shall comply with all applicable environmental laws, regulations and practices implemented by Legal Entity of Public Law- Revenue Service under the Ministry of Finance of Georgia.

4.2.5 Present, within 10 (ten) days from signing the Contract, a bank guarantee ensuring the fulfilment of its liabilities under the Contract, in the amount of 5% of the total Contract price, the validity of which shall be one month beyond the Contract validity. Besides, the Contractor shall be responsible for agreeing the guarantee issuing bank with the Buyer in advance, before presenting the bank guarantee.

5. CONTRACT PRICE

5.1 In consideration of the Maintenance Services and spare parts provided by the Contractor, as specified in Schedule A, and for the performance of this Contract, the Buyer shall pay the Contractor the Contract Price specified in Schedule B and in accordance with the terms set out in that Schedule;

6. PAYMENT

The payment of Contract Price shall be made to the Contractor in accordance with Schedule B.

7. STANDARD OF MAINTENANCE SERVICES

The Contractor shall perform the Maintenance Services in respect of the Product as set forth in Schedule A in order to ensure the operational availability of each Product should be **not less than 85%** during the term of the Contract.

8. DISCLOSURE OF INFORMATION, SECRECY AND SECURITY

8.1 Either party shall not, without the prior written agreement of the other party, publish or disclose any Confidential Information of the other party to any third party. Either party will strictly restrict Confidential Information of the other party only to its servants and employees with a direct need to know and guarantee its servants and employees to undertake the same confidential obligations.

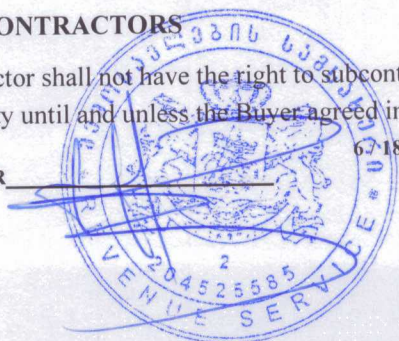
8.2 Neither party hereto shall disclose to any third party the contents of this Contract, correspondences between the parties (including email and fax), documents and conversations that contain Confidential Information of the other party without the express prior written consent of the other party.

8.3 Obligations of confidence shall survive after expiry or termination of this Contract.

9. SUBCONTRACTORS

The Contractor shall not have the right to subcontract the whole or part of this Contract to another party until and unless the Buyer agreed in writing.

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10. INTELLECTUAL PROPERTY RIGHTS

NUCTECH has and reserve any Intellectual Property Rights used in connection with or embodied in NUCTECH's Product, Maintenance Services and associated documents under this Contract. Nothing in this Contract shall be deemed a transfer of any Intellectual Property Rights from the Contractor to the Buyer. The Buyer shall not, by any conduct, infringe the Intellectual Property Rights of the Contractor.

11. BREACH OF CONTRACT

- 11.1 If either party fails to perform its duties or defaults in the performance of any obligations and such non-performance or defaults cannot be corrected within 15 days after receiving the written notice from the other party then the non-breaching party, at its option, may terminate this Contract by submitting a written notice to the other party;
- 11.2 The defaulting party shall bear the liabilities to the other party for breach of any provision under this Contract and indemnify the other party's loss incurred by the breach (including but not limited to reasonable litigation fees, arbitration fees and legal expenses paid by the other party).

12. FORCE MAJEURE

- 12.1 Neither Contractor nor Buyer shall be in breach of its obligations under this Contract if it is unable to perform its obligation under this Contract (or any part of it), as a result of the occurrence of an Event of Force Majeure.
- 12.2 An 'Event of Force Majeure' is an event not within the control of either of the Parties, which is unable to be prevented, avoided or removed and shall mean: -
- 12.1.1 War (whether declared or not), hostilities, armed conflict, invasion, act of foreign enemies;
- 12.1.2 Insurrection, rebellion, revolution, military or surged power, civil war or acts of terrorism, Government intervention;
- 12.1.3 Natural catastrophes or disasters including but not limited to earthquakes, lightning, floods and fires, subterranean spontaneous combustion or any operation of forces of nature against which the affected party could not reasonably have been expected to take precautions.
- 12.3 The affected party shall not be responsible for the delay in performance or non-performance of its obligations due to Force Majeure. The precondition for the affected party not bearing the responsibility is that the affected party shall advise non-affected party immediately of the occurrence of the above-mentioned events and within fourteen days thereafter, the affected party shall send, by airmail, the non-affected party for its acceptance a certificate of the accident issued by the Competent Government

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Authority where the accident occurs as evidence thereof;

- 12.4 Under such circumstances the affected party, however, is still under the obligation to take all necessary measures to resume its performance of obligations. In case the accident lasts for more than 90 days, the non-affected party shall have the right to cancel the Contract.

13. DISCLAIMER AND LIMITATION OF LIABILITY

- 13.1 The Contractor shall not be liable for any malfunctions or faults and/or damages caused by:
- 13.1.1 A traffic accident on the road during the transfer of the Product;
 - 13.1.2 A collision by the scanned vehicle or any other vehicle/machinery;
 - 13.1.3 Violation of the operation manual by the Buyer and/or instruction given by NUCTECH;
 - 13.1.4 Malfunction or fault caused by problem of electric power, telecom, or other supply not provided by Legal Entity of Public Law- Revenue Service under the Ministry of Finance of Georgia;
 - 13.1.5 Disassembling, replacing or repair of components and spare parts by Buyer or any third party without the approval of NUCTECH;
 - 13.1.6 The delay or cancellation of any preventive maintenance due to Buyer's reason.
- 13.2 Should any risk of terrorism or other military attacks occur, the maintenance engineer of NUCTECH would withdraw from the site and stay anywhere the engineer thinks safe until the risk has passed.
- 13.3 The contractor is not responsible on any failure, defects and/or damages, which is caused :
- 13.4 Neither contractor, nor buyer are not responsible on any failure, defects and/or damages, which is caused by Force Majeure specified in the 12th article of this contract.

14. LANGUAGE

English shall be the official language in the performance of this Contract, and any correspondence, documents, manuals, instructions, notices and other communications in connection with this Contract shall be made in English unless otherwise agreed upon in writing by the Parties. In case of discrepancy between the Georgian and English texts of the Contract, the Georgian version of the Contract shall prevail.

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15. DISPUTE RESOLUTION

- 15.1 Any disputes arising from, or in connection with this Contract, shall be settled through friendly negotiation between both Parties.
- 15.2 If the disputes cannot be settled through friendly negotiation within 10 days, then the contracting parties are entitled to address the Court of Georgia according to the established rules by the legislation of Georgia.

16. BREAK-DOWNS

The Contractor's engineer shall inform the Buyer in writing, after diagnosing a fault, reasons of incident, and the possible rectification time so that the Buyer can plan its operational activities.

In the case of any faults or trouble shooting, the Contractor shall ensure that break-down time of equipment will not exceed 3 weeks.

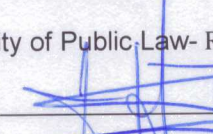
17. MAINTENANCE SERVICES TIMINGS AND MONITORING

Nuctech will always inform the Buyer in writing the dates of preventive and corrective maintenances so that Buyer can arrange its scanning operation activities accordingly. Further, Legal Entity of Public Law- Revenue Service under the Ministry of Finance of Georgia could also send its Engineers at the time of each maintenance service for inspection and monitoring.

IN WITNESS, WHEREOF THE PARTIES HAVE EXECUTED THIS CONTRACT ON THE DATE HEREINBEFORE WRITTEN

Signed for and on behalf of

Legal Entity of Public Law- Revenue Service under the Ministry of Finance of Georgia

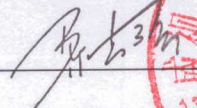
Signature: 

Name, Surname: Giorgi Gomareli

Position: Head of Financial Department of Legal Entity of Public Law- Revenue Service under the Ministry of Finance of Georgia

Signed for and on behalf of

NUCTECH COMPANY LIMITED

Signature: 

Name, Surname: Chen Zhiqiang

Position: President of Nuctech Company Limited

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SCHEDULE A SCOPE OF CONTRACT

1. INTRODUCTION

1.1 This Schedule outlines the agreed scope of maintenance services, which forms the basis of the Contract between the Buyer and the Contractor for maintenance services of 1 set of Vehicle stationery X-Ray scanner manufactured by NUCTECH. NUCTECH shall provide the buyer with the maintenance services in a pyramidal structure of three levels and will take full responsibility for the maintenance of Product.

Pyramidal structure will consist of:

- a) Local Maintenance Station: Nuctech will establish local maintenance station at Buyer's premises in order to provide the maintenance service timely to the Buyer.
- b) Regional Maintenance Centre: Through this Centre, Nuctech shall provide the support of technique and spare parts which are not available in local maintenance station at Buyer's premises.
- c) Customer Support Department: Customer Support Department of Nuctech located in Beijing, shall provide expert-level technical support, including emergency aid to troubleshoot unusual failure/fault, software upgrading, spare parts/tools supply for the Product delivered.

2. MAINTENANCE SERVICE

2.1 Preventive Maintenance

Well-scheduled preventive maintenances, which include Monthly Maintenance, Quarterly Maintenance, Semiannual Maintenance and Annual Maintenance, can eliminate some potential troubles, reduce the fault-rate and increase the operational availability of the Product.

Refer to the Attachment 1 for the preventive maintenance outline of the Product.

2.2 Corrective Maintenance

A Corrective Maintenance will be performed for the troubleshooting of a fault/failure of the Product in order to restore the Product to a normally operational condition.

For shortening the breakdown-time as possible, NUCTECH will provide the Buyer with an urgent service, namely Emergency Service on Call at Buyer's request by phone, fax or E-mail. NUCTECH will open a hot line for 24-hour response for diagnosis/removal support to the Buyer and dispatch, if necessary, its engineer to the operational site of the Product as soon as possible.

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SCHEDULE B CONTRACT PRICE AND PAYMENT

1. Currency of Payment

The Buyer shall pay the Contract Price to the Contractor in USD.

2. Contract Price

The total Contract Price for the Maintenance Services and supply of spare parts of 1 (one) set of vehicle stationery scanner shall be equaled to USD 412.992.00 (Four hundred twelve thousand nine hundred ninety two and 00 cents) including all taxes under the Georgian legislation, according to the table given in Schedule B, Article 3

3. Terms of Payment

The Buyer shall pay to the Contractor the Contract Price by bank transfer, based on acceptance certificate made from time to time between the Parties, within 10 working days from the day the Buyer receives it from the Contractor. Payment shall be made in accordance with the price schedule given below:

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Description of scanner	Quantity of scanners	Price for one-month service of scanners	Price for one-year service of scanners	Service period (by months)	Total
NUCTECH MB1215HS KAZBEGI (Village Phansheti)	1 set	11 472.00	137,664.00	36	412 992.00
Total Price					412 992.00

4. The Contractor's Bank Account

The payment shall be made by bank transfer, to the following bank account:

The contractor:

Beneficiary's Name: NUCTECH COMPANY LIMITED

Beneficiary's Bank: BANK OF CHINA, BEIJING BRANCH, HAIDIAN SUB BRANCH
KE XUE CHENG SUB OFFICE

Beneficiary's Account No (USD): 340256023486

SWIFT code: BKCHCNBJ110

Beneficiary's Bank Address: NO.2 Kexueyuan Nanlu, Haidian District, Beijing, PRC

Post Code: 100190

The Buyer:

The receiver's bank: The State treasury

The receiver's name: The state treasury united
account

SWIFT code: TRESGE22

The Receiver's Account/treasury Code: 707019921

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ATTACHMENT 1 PREVENTIVE MAINTENANCE OUTLINE

Schedule of Preventive Maintenance Service

With regard to the preventive maintenance services of the systems, refer to the Maintenance manual of the x-ray inspection system.

NO.	Subject	Time	Schedule of the technical maintenance for scanner – MT1213LT												Quantity
			1	2	3	4	5	6	7	8	9	10	11	12	
1	Monthly technical maintenance	4 hr.	√	√		√	√		√	√		√	√		32 hr.
2	Quarterly technical maintenances	8 hr.			√							√			16 hr.
3	Semiannual technical maintenances	24 hr.						√							24 hr.
4	Annual technical maintenances	48 hr.												√	48 hr.
Total (1 year)														120 hr.	

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ATTACHMENT 2 MAINTENANCE REPORT FORMS

Form A-1

Preventive Maintenance Record		
Form No:	System Type and No.:	Location:
Record Date:	Start Time:	End Time:
Attendant:		
Service Level:	<input type="checkbox"/> Monthly Maintenance	<input type="checkbox"/> Quarterly Maintenance
	<input type="checkbox"/> Semi Annual Maintenance	<input type="checkbox"/> Annual Maintenance
Operation Record:		
Signature of the End User/custom officer:		

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Form A-2

Failure/Repair Report				
Form No:				
Station:	System type:	Sys.No./ID:	Report Date:	
Failure Date:	Failure Time:	Attendant:		
Failed Subsystem:				
Failure Phenomenon:				
Troubleshooting Procedure:				
Failed/Replaced Parts Information:				
S.No.	Name	Failure Mode	Failed Part No.	Replaced Part No.
Maintenance/Repair Information:				
Restoration Condition:				
Restarting time:	Repair time:	Delay time for spare parts:		
Failure/Delay Cause Analysis:				
Corrective Suggestion (If any):				
Comment of the Customer:				

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Form A-3:

Quarterly Availability List			
Form No:			
Site:		System Type and ID:	
No.	Statistician:	Date:	Failure Description
1	Failure Date:	Repair Time(h):	
	Delay Time(h):	Down-Time d1(h) :	
2	Failure Date:	Repair Time(h):	
	Delay Time(h):	Down-Time d2(h) :	
3	Failure Date:	Repair Time(h):	
	Delay Time(h):	Down-Time d3(h) :	
4	Failure Date:	Repair Time(h):	
	Delay Time(h):	Down-Time d4(h) :	
5	Failure Date:	Repair Time(h):	
	Delay Time(h):	Down-Time d5(h) :	
6	Failure Date:	Repair Time(h):	
	Delay Time(h):	Down-Time d6(h) :	
7	Failure Date:	Repair Time(h):	
	Delay Time(h):	Down-Time d7(h) :	
8	Failure Date:	Repair Time(h):	
	Delay Time(h):	Down-Time d8(h) :	
Accumulative Runtime in the Current Quarterly R (h):			Signature of the Statistician:
Accumulative Down-Time D [=∑di] (h):			
Availability of the Current Quarterly A [=R/(R+∑di)]:%			

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Comment of the Customer :

Note: -

1. Failure Date means the day on which the relevant failure occurred
2. Repair Time means hours taken for repairing the failure
3. Delay Time means hours taken for making spare parts and/or condition for troubleshooting ready
4. Down-Time " d" means the repair-time and delay-time related to the ith failure in the current month
5. Accumulative Runtime "R" means the actual runtime of the system in the current month
6. This monthly operational availability list is applicable only to the operational time from 9:00 AM to 17:00.

IN WITNESS, WHEREOF THE PARTIES HAVE EXECUTED THIS CONTRACT ON THE DATE HEREINBEFORE WRITTEN

Signed for and on behalf of

Legal Entity of Public Law- Revenue Service under the Ministry of Finance of Georgia

Signature: _____

Name, Surname: Giorgi Gomareli

Position: Head of Finance Department of Legal Entity of Public Law- Revenue Service under the Ministry of Finance of Georgia

Signed for and on behalf of

NUCTECH COMPANY LIMITED

Signature: _____

Name: Chen Zhiqiang

Position: President of Nuctech Company Limited

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