

Contract of ____ 2022
on "Supply of electric trains (electric multiple unit trains – EMU),
spare parts and equipment necessary for their
maintenance, training of personnel
and a source of loan-based financing

Annex №8

**Procedure of elimination of defects during the warranty period and
classification of defects**

1. Prior to the delivery and handover of the first electric train, the supplier shall appoint, with a written notice to the customer, their authorized representatives to clarify and eliminate defects detected during the warranty period, including the signing of defect reports, analyzes and reports on the elimination of defects. The Supplier also warrants that the electric trains and their spare parts will not have defects arising from any act or omission of the supplier or from design features, material properties and production quality under normal use in the country of destination.
2. If the Customer discovers defects in parts, elements, assemblies, units or equipment installed in the electric train (hereinafter referred to as "assemblies") during the warranty period specified in the contract, it shall immediately notify the Supplier in writing and request its authorized representative to appear to investigate the cause of the identified defect and to jointly prepare a defect report. This letter shall be sent to the Supplier by e-mail _____.
The letter shall state the number of the electric train, the name and/or number of the assembly, the nature of the defect, the mileage of the electric train after the date of handover, and the place, date and time of arrival of the supplier's representative, which shall not be less than twenty-four (24) hours from the date of dispatch of the letter, unless the parties agree on a different deadline.
3. Upon receipt of such notification, the Supplier, within the period specified in the **Special Provisions** of the Contract, will immediately repair or replace the defective spare parts or their part without any cost, payment or fee to the Customer.
4. The Supplier shall eliminate any defects covered by the warranty within 5 days of receipt from the Customer of notification of the identified defect.
5. The Supplier guarantees that the delivered Electric Trains must comply with the availability requirements specified in _____ of the **Technical Specification, Section _____ "Delivery Schedule"**.
6. During the warranty period, for each day exceeding the maximum allowable number of days out of service of the electric train due to a manufacturing defect requiring unscheduled maintenance, the Supplier shall pay a penalty in the amount of USD 750 per day. Payment of such a penalty is calculated separately for each electric train and is made within 5 working days after the expiration of the warranty period for the electric train.

7. Upon request of the supplier's authorised representative, the Customer shall present the following documents on operation of the electric train and its assemblies or submit copies thereof: explanations on the staff involved, technical reports, technical data sheet of the electric train and the assembly concerned, technical drawings, electrical circuits as well as other documents at the disposal of the customer, which are related to the specific defect.
8. The defect report is prepared using a sample form (Annex 1).
9. If the Supplier's representative does not arrive for investigation of the cause of the defect at the time and to the place specified by the Customer, the Customer shall conduct the investigation unilaterally and draw up a defect report without a Supplier's representative. In this case, it is considered that the supplier has unconditionally agreed with the defect report prepared by the Customer.
10. In case of disagreements between the supplier and the customer on causes of defects, the supplier or the customer must sign a defect report anyway and in "Notes" thereof specify that it disagrees with the conclusions of the other party. Causes of disagreement with substantiation should be prepared on a separate sheet, which should be appended to each copy of the defect report.
11. The Customer and the Supplier shall make every effort to resolve amicably through direct informal negotiations any disagreements or disputes arising between them under the Contract or in connection with it.
12. The defect report with annexes, if any, shall be signed in duplicate. The persons signing the defect report are responsible for its content, accuracy and veracity. The defect report with annexes, if any, shall be transferred to the customer and the supplier, one copy of each.
13. Depending on the influence of the defect on train traffic safety and quality of carriage of passenger and, to reduce downtime of the electric train, the customer shall assign one of these levels to the defect:
 - 13.1. Level A – defects, due to which the use of the electric train in carriage of passengers is not permissible or due to which movement of the electric train is considerably restricted, or which considerably reduces the level of comfort of carriage of passengers.
 - 13.2. Level B – defects, due to which there is an insignificant reduction in comfort of carriage of passengers, but which does not affect traffic safety, and it can be used for carriage of passengers.
14. If any defects are found in the electric train, which were caused by the Customer's actions contrary to provisions of this contract; actions of third parties, including vandalism, collision; or force majeure; level C is assigned to such defect upon agreement of the parties

15. Elimination of any defect shall be carried out either by repairing the damaged assembly or replacing it with a new assembly. The term for the elimination of defects is set in clause 45.3 of the Contract.
16. If the defect is remedied in accordance with paragraph 1.12 by employees of the customer or by a third person, the warranty for the electric train and the relevant assembly shall remain in force and the supplier shall have no right to shorten the period or to cancel it.
17. If the same assemblies are returned to the customer after repair, the warranty shall continue until its end; however, if assemblies are replaced by new ones, the warranty period shall start anew on the day of installation (replacement).
18. After the end of warranty repairs, the parties shall draw up a report on elimination of defects in an agreed form, where they state the number of the defect report, the date of preparation of the defect report and the date of elimination of the defect.

DEFECT REPORT No. _____

1.	Date of preparation of the defect report	
2.	Place	
3.	Electric train number	
4.	Series	
5.	Date of Transfer	
6.	Kilometrage after the Transfer	
7.	Date and type of the last technical inspection	
8.	Name and/or number of the assembly, in which a defect was found	
9.	Repairer of the assembly	
10.	Date of discovery of the defect	
11.	Nature of the defect and conditions, which caused it	
12.	Date and number of the notice on statement of the defect	
13.	Cause of the defect and the party, who should eliminate the defect	
14.	Defect level (A, B, C)	
15.	Type of elimination of the defect (replacement or repair)	
16.	Terms of elimination of the defect	
17.	Notes	

We hereby certify that the information provided in this report is true.

Supplier's representative _____

Customer's representative _____