
Contract for the Supply of Goods

Ref No: COVID19-G-DC- 24

Project: Georgia Emergency Covid-19 Project (WB IBRD 9113-GE, AIIB L0388A)
Project N P173911

Purchaser: Ministry of Internally Displaced Persons from the Occupied Territories, Labour,
Health and Social Affairs of Georgia

Supplier: SINOVENTURE INTERNATIONAL BUSINESS AND MANAGEMENT
COMPANY LIMITED

Country: Georgia

Contract Agreement

THIS AGREEMENT made the 02th day of October, 2020.

BETWEEN

(1) **Ministry of Internally Displaced Persons from the Occupied Territories, Labor, Health and Social Affairs of Georgia**, having its principal place of business at 144, Ak. Tsereteli Ave, Tbilisi, Georgia. 0119 (hereinafter called “the Purchaser”), of the one part, and

(2) **SINOVENTURE INTERNATIONAL BUSINESS AND MANAGEMENT COMPANY LIMITED** incorporated under the laws of China and having its main head office at Alameda Dr. Carlos d' Assumpção, No.336-342, Centro Comercial Cheng Feng, 9 andar R, Macau (hereinafter called the “Supplier”), of the other part

The Purchaser and the Supplier agree as follows:

1. In this Agreement words and expressions shall have the same meanings as are respectively assigned to them in the Contract Documents referred to.
2. The following documents shall be deemed to form and be read and construed as part of this Agreement. This Agreement shall prevail over all other Contract documents.
 - (a) Conditions of Contract
 - (b) Schedule 1: Details of the Goods and delivery dates
 - (c) Schedule 2: Technical Specifications
 - (d) Schedule 3: Pricing Schedule
 - (e) Schedule 4: Fraud and Corruption
 - (f) Schedule 5: Quality Inspection and Testing
 - (g) any other document listed as forming part of the Contract
3. In consideration of the payments to be made by the Purchaser to the Supplier as specified in this Agreement, the Supplier hereby covenants with the Purchaser to provide the Goods and to remedy defects therein in conformity in all respects with the provisions of the Contract.
4. The Purchaser hereby covenants to pay the Supplier in consideration of the provision of the Goods and the remedying of defects therein, the Contract Price or such other sum as may become payable under the provisions of the Contract at the times and in the manner prescribed by the Contract.

IN WITNESS whereof the parties hereto have caused this Agreement to be executed in accordance with the laws of the Purchaser's country, on the day, month and year indicated above.

For and on behalf of the Purchaser:

Signed:

Print name: **Giorgi Tsotskola**uri

in the capacity of **Deputy Minister for the Ministry of Internally Displaced Persons from the Occupied Territories, Labor, Health and Social Affairs**

For and on behalf of the Supplier:

Signed:

Print name: **LEE PENG HONG**

in the capacity of President of Sino Venture International Business and Management Co., Ltd

in the presence of James Wong, Assistant President and Business Development Director of Sino Venture

Conditions of Contract

1. Definitions	<p>1.1 <i>The following words and expressions shall have the meanings hereby assigned to them:</i></p> <ul style="list-style-type: none"> (a) “Bank” means the World Bank and refers to the International Bank for Reconstruction and Development (IBRD) or the International Development Association (IDA). (b) “CC” means the Conditions of Contract. (c) “Contract” means the Contract Agreement entered into between the Purchaser and the Supplier, together with the Contract Documents referred to therein, including all attachments, appendices, and all documents incorporated by reference therein. (d) “Contract Documents” means the documents listed in the Contract Agreement, including any amendments thereto. (e) “Contract Price” means the price payable to the Supplier as specified in CC 8.1, subject to such additions and adjustments thereto or deductions therefrom, as may be made pursuant to the Contract. (f) “Day” means calendar day. (g) “Completion” means the fulfillment of the Related Services, as applicable, by the Supplier in accordance with the terms and conditions set forth in the Contract. (h) “Goods” means all of the commodities, raw material, machinery and equipment, and/or other materials that the Supplier is required to supply to the Purchaser under the Contract. (i) “Party” means the Purchaser or the Supplier, as the context requires, and “Parties” means both of them. (j) “Purchaser” means the entity purchasing the Goods and Related Services as applicable, as specified in CC 2. (k) “Purchaser’s Country” is the country specified in CC 2. (l) “Related Services” means the services incidental to the supply of the goods, such as insurance, installation, training and initial maintenance and other such obligations of the Supplier under the Contract, as applicable.
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	<p>(m) “Subcontractor” means any person, private or government entity, or a combination of the above, to whom any part of the Goods to be supplied or execution of any part of the Related Services is subcontracted by the Supplier.</p> <p>(n) “Supplier” means the person, private or government entity, or a combination of the above, whose offer to perform the Contract has been accepted by the Purchaser and is named as such in the Contract Agreement.</p> <p>(o) “The Project Site,” where applicable, means the place named in the CC.</p>
2. Purchaser, Purchaser’s Country, Project Site/Final Destination	<p>2.1 The Purchaser is: Ministry of Internally Displaced Persons from the Occupied Territories, Labor, Health and Social Affairs</p> <p>2.2 The Purchaser’s Country is: Georgia</p> <p>2.3 The Project Site(s)/Final Destination(s) is/are: Tbilisi International Airport. Georgia</p>
3. Incoterms	<p>3.1 The edition of Incoterms that shall apply is: Incoterms 2020.</p>
4. Notices and Addresses for notices	<p>4.1 Any notice given by one Party to the other pursuant to the Contract shall be in writing to the address hereafter using the quickest available method such as electronic mail with proof of receipt.</p> <p>A notice shall be effective when delivered or on the notice’s effective date, whichever is later.</p> <p><u>Address for notices to the Purchaser:</u></p> <p>Nino Kvernadze. Emergency COVID-19 Response Project Manager Ministry of Internally Displaced Persons from the Occupied Territories, Labour, Health and Social Affairs 144, Ak. Tsereteli ave, Tbilisi, Georgia. 0119 E: ninokvernadze@moh.gov.ge; T: +995 599 18 46 44</p> <p><u>Address for notices to the Supplier:</u></p> <p>Authorized contract person: Mr. James Wong Assistant President and Business Development Director Address: Alameda Dr. Carlos d' Assumpção, No.336-342, Centro Comercial Cheng Feng, 9 andar R, Macau Email: wbsvproject@gmail.com and</p>

	<p>Hwong.james@hotmail.com</p> <p>T: +86 13417783340</p> <p>(Please use both emails addresses on all communications)</p>
5. Governing Law	<p>5.1 The Contract shall be governed by and interpreted in accordance with the laws of the Purchaser's country.</p>
6. Settlement of Disputes	<p>6.1 All disputes arising out of or in connection with the present contract shall be finally settled, at a neutral venue, under the Rules of Arbitration of the International Chamber of Commerce by one or more arbitrators appointed in accordance with the said Rules.</p>
7. Shipping and other documents to be provided	<p>7.1 The delivery of the Goods shall be in accordance with Schedule 1.</p> <p>Details of shipping and other documents to be furnished by the Supplier are:</p> <ol style="list-style-type: none"> 1) <i>Insurance certificate</i> 2) <i>FRI certificate issued by nominated inspection agency</i> 3) <i>Warranty certificate</i> 4) <i>Airway Bill or equivalent document accepted by both Purchaser and Supplier</i> 5) <i>Packing List</i> 6) <i>Manufacturer's authorization in the form specified in Attachment 1</i> 7) <i>Any other documents required for customs clearance.</i> <p>7.2 The above documents shall be received via email by the Purchaser on shipment.</p>
8. Contract Price	<p>8.1 The Contract Price is specified in Schedule 3.</p> <p>8.2 The unit prices charged by the Supplier for the Goods supplied shall not vary from the prices agreed in the Contract.</p>
9. Terms of payment	<p>9.1 The method and conditions of payment to be made to the Supplier under this Contract shall be as follows:</p> <p>The Purchaser shall process the payments using the Direct Payment disbursement method, as defined in the World Bank's Disbursement Guidelines for Investment Project Financing.</p> <p>Payment shall be made in USD as follows:</p> <p>Advance Payment:</p> <p>(i) Ten (10) percent of the Contract Price and ten (10) percent of the estimated inspection and testing costs, shall be paid, within five (5)</p>

	<p>days of signing of the Contract and upon submission of a claim for the amount;</p> <p>(ii) On Shipment: Ninety (90) percent of the Contract Price of the goods shipped shall be paid, and the balance of the final inspection and testing costs as evidenced by a receipted invoice shall be reimbursed, within 15 days after submission of the documents specified in CC7.</p> <p>9.2 The Payment bank information of World Bank:</p> <p>Bank name: CITI Bank New York</p> <p>Account name: INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (IBRD)</p> <p>SWIFT Code: CITIUS33XXX</p> <p>9.3 All the payments due to the Supplier shall be wired to the following bank account held by the Supplier:</p> <p>Bank Name: BANCO WELL LINK SA</p> <p>Address: Avenida Doutor Mario Soares No. 320, Finance and IT Center of Macau 1 Andar C, Macau</p> <p>Account Name: SINOVENTURE INTERNATIONAL BUSINESS AND MANAGEMENT COMPANY LIMITED SWIFT Code: BESCMOMX</p> <p>USD A/c No: 800025050216</p>
10. Taxes and Duties	<p>10.1 For Goods manufactured outside the Purchaser's Country, the Supplier shall be entirely responsible for all taxes, stamp duties, license fees, and other such levies imposed outside the Purchaser's Country.</p> <p>10.2 For Goods Manufactured within the Purchaser's Country, the Supplier shall be entirely responsible for all taxes, duties, license fees, etc., incurred until delivery of the contracted Goods to the Purchaser.</p> <p>10.3 If any tax exemptions, reductions, allowances or privileges may be available to the Supplier in the Purchaser's Country, the Purchaser shall use its best efforts to enable the Supplier to benefit from any such tax savings to the maximum allowable extent.</p>
11. Performance Security	<p>11.1 A Performance Security shall not be required.</p>

12. Subcontractors	12.1	The Supplier shall notify the Purchaser in writing of all subcontracts awarded under the Contract if not already specified in Supplier's offer. Such notification, in the original offer or later shall not relieve the Supplier from any of its obligations, duties, responsibilities, or liability under the Contract.
13. Specifications and Standards	13.1	The Goods supplied under this Contract shall conform to the technical specifications and standards mentioned in Schedule 2 and, when no applicable standard is mentioned, the standard shall be equivalent or superior to the official standards whose application is appropriate to the Goods' country of origin.
14. Packing, marking and documentation	14.1	The Supplier shall provide such packing of the Goods as is required to prevent their damage or deterioration during transit to their final destination, as indicated in the Contract. During transit, the packing shall be sufficient to withstand, without limitation, rough handling and exposure to extreme temperatures, salt and precipitation, and open storage. Packing case size and weights shall take into consideration, where appropriate, the remoteness of the goods' final destination and the absence of heavy handling facilities at all points in transit.
	14.2	The packing, marking and documentation within and outside the packages shall be in English and in accordance with the technical specification in Schedule 2.
15. Insurance cover	15.1	The insurance coverage shall be as specified in the Incoterms.
16. Transportation	16.1	Responsibility for transportation of the Goods shall be as specified in the Incoterms.
	16.2	The main mode of international transport shall be by air
17. Site of inspections and tests	17.1	The quality inspections and tests identified in Schedule 5 shall be carried out by SGS, an independent inspection agency (or any other replacement inspection agency nominated by the Purchaser if SGS and the Supplier cannot agree terms ("Replacement")) appointed by the Supplier for this purpose, and the Goods will only be accepted by the Purchaser on the production of an inspection certificate from SGS (or the Replacement) certifying the quality and fitness for purpose of the Goods.
	17.2	The quality inspections and tests shall be conducted at: the warehouse of the manufacturers factory as notified to SGS.
	17.3	So far as it is able to do so, the Supplier shall provide to SGS (or the Replacement) copies of all existing testing or inspection certificates that it may have relating to the Goods.
	17.4	The Supplier will ensure that SGS (or the Replacement) provides a copy of all findings, conclusions and draft and final

	<p>inspection reports (collectively hereafter referred to as “the Reports”) referred to in Schedule 5 to the Supplier, the Borrower and The World Bank.</p> <p>17.5 The Supplier is responsible for paying the reasonable costs of SGS (or the Replacement). These costs will be passed to the Purchaser. The total, not-to-be exceeded, estimated inspection and testing costs are as detailed in Table 1 of the Appendix to Schedule 5.</p> <p>17.6 The Purchaser will pay 10% of the estimated cost of the inspections and tests to the Supplier with the first advance payment made in accordance with CC9.1(i) and reimburse the final balance of the cost of the inspection and tests, as evidenced by an invoice showing that the inspection agency has been paid, when the balance of the Contract Price is paid in accordance with CC9.1(ii)..</p>
18. Delivery Date and Completion Date	<p>18.1 Goods from abroad: Incoterm CIP: Tbilisi International Airport, Georgia</p> <p>18.2 The Delivery Date of the Goods shall be as specified in Schedule 1.</p>
19. Liquidated damages and bonuses	This clause is deliberately left blank.
20. Warranty	<p>20.1 The Supplier warrants that all the Goods are new, unused, and of the most recent or current models, and that they incorporate all recent improvements in design and materials, unless provided otherwise in the Contract.</p> <p>20.2 The Supplier further warrants that the Goods shall be free from defects arising from any act or omission of the Supplier or arising from design, materials, and workmanship, under normal use in the conditions prevailing in the country of final destination.</p> <p>20.3 The warranty shall remain valid for six (6) months after the Goods, or any portion thereof as the case may be, have been delivered to and accepted at the final destination, or for seven (7) months after the date of shipment from the port or place of loading in the country of origin, whichever period concludes earlier.</p> <p>20.4 The period for repair or replacement after being notified of the defect by the Purchaser shall be sixty (60) days.</p> <p>20.5 If having been notified, the Supplier fails to remedy the defect within the period specified in CC 20.4, the Purchaser may</p>

	<p>proceed to take within a reasonable period such remedial action as may be necessary, at the Supplier's risk and expense and without prejudice to any other rights which the Purchaser may have against the Supplier under the Contract.</p> <p>20.6 For purposes of the warranty, the place(s) of final destination(s) shall be: Georgia, Tbilisi</p>
21. Copyright	<p>21.1 The copyright in all drawings, documents, and other materials containing data and information furnished to the Purchaser by the Supplier herein shall remain vested in the Supplier, or, if they are furnished to the Purchaser directly or through the Supplier by any third party, including suppliers of materials, the copyright in such materials shall remain vested in such third party.</p>
22. Fraud and Corruption	<p>22.1 The Bank requires compliance with the Bank's Anti-Corruption Guidelines and its prevailing sanctions policies and procedures as set forth in the WBG's Sanctions Framework, as set forth in the attachment to the Conditions of Contract.</p> <p>22.2 The Purchaser requires the Supplier to disclose any commissions or fees that may have been paid or are to be paid to agents or any other party with respect to the direct contracting process or execution of the Contract. The information disclosed must include at least the name and address of the agent or other party, the amount and currency, and the purpose of the commission, gratuity or fee.</p>
23. Inspections and Audit by the Bank	<p>23.1 Pursuant to paragraph 2.2 e. of Schedule 4, the Supplier shall permit and shall cause its agents (where declared or not), subcontractors, subconsultants, service providers, suppliers, and personnel, to permit, the Bank and/or persons appointed by the Bank to inspect the site and/or the accounts, records and other documents relating to the direct contracting process or contract execution. The Supplier's and its subcontractors attention is drawn to CC 22.1 (Fraud and Corruption) which provides, inter alia, that acts intended to materially impede the exercise of the Bank's inspection and audit rights constitute a prohibited practice subject to contract termination (as well as to a determination of ineligibility pursuant to the Bank's prevailing sanctions procedures).</p>
24. Limitation of Liability	<p>24.1 Except in cases of criminal negligence or willful misconduct,</p> <p>(a) the Supplier shall not be liable to the Purchaser, whether in contract, tort, or otherwise, for any indirect or consequential loss or damage, loss of use, loss of production, or loss of profits or interest costs, provided that this exclusion shall not apply to any obligation of the Supplier to pay liquidated damages to the Purchaser and</p>

	<p>(b) the aggregate liability of the Supplier to the Purchaser, whether under the Contract, in tort or otherwise, shall not exceed the total Contract Price, provided that this limitation shall not apply to the cost of repairing or replacing defective equipment, or to any obligation of the supplier to indemnify the Purchaser with respect to patent infringement.</p>
25. Force Majeure	<p>25.1 The Supplier shall not be liable for forfeiture of its Performance Security (if required), liquidated damages, or termination for default if and to the extent that its delay in performance or other failure to perform its obligations under the Contract is the result of an event of Force Majeure.</p> <p>25.2 For purposes of this Clause, “Force Majeure” means an event or situation beyond the control of the Supplier that is not foreseeable, is unavoidable, and its origin is not due to negligence or lack of care on the part of the Supplier. Such events may include, but not be limited to, acts of the Purchaser in its sovereign capacity, wars or revolutions, fires, floods, and freight embargoes.</p> <p>25.3 If a Force Majeure situation arises, the Supplier shall promptly notify the Purchaser in writing of such condition and the cause thereof. Unless otherwise directed by the Purchaser in writing, the Supplier shall continue to perform its obligations under the Contract as far as is reasonably practical and shall seek all reasonable alternative means for performance not prevented by the Force Majeure event.</p> <p>25.4 If the performance of the Contract is substantially prevented, hindered or delayed for a single period of more than sixty (60) days or an aggregate period of more than one hundred and twenty (120) days on account of one or more events of Force Majeure during the currency of the Contract, the Parties will attempt to develop a mutually satisfactory solution, failing which either Party may terminate the Contract by giving a notice to the other Party.</p> <p>25.5 Notwithstanding anything else to the contrary in CC 25.2 above, the parties agree that an unavoidable delay that results from COVID 19 and which is not due to negligence or lack of care on the part of the Supplier shall be deemed a force majeure event</p>
26. Termination	<p>26.1 Termination for Default</p> <p>The Purchaser, without prejudice to any other remedy for breach of Contract, by written notice of default sent to the Supplier, may terminate the Contract in whole or in part:</p>

	<p>(i) if the Supplier fails to deliver any or all of the Goods within the period specified in the Contract, or within any extension thereof granted by the Purchaser, and the Supplier fails to cure such default within thirty (30) days after receipt of said written notice;</p> <p>(ii) if the Supplier fails to perform any other obligation under the Contract and the Supplier fails to cure such default within thirty (30) days after receipt of said written notice; or</p> <p>(iii) if the Supplier, in the judgment of the Purchaser has engaged in Fraud and Corruption, in competing for or in executing the Contract.</p> <p>In the event the Purchaser terminates the Contract in whole or in part, the Purchaser may procure, upon such terms and in such manner as it deems appropriate, the Goods, similar to those undelivered and the Supplier shall be liable to the Purchaser for any additional costs for such similar Goods. However, the Supplier shall continue performance of the Contract to the extent not terminated.</p> <p>26.2 Termination for Convenience</p> <p>(a) The Purchaser, by notice sent to the Supplier, may terminate the Contract, in whole or in part, at any time for its convenience. The notice of termination shall specify that termination is for the Purchaser's convenience, the extent to which performance of the Supplier under the Contract is terminated, and the date upon which such termination becomes effective.</p> <p>(b) The Goods that are complete and ready for shipment within twenty-eight (28) days after the Suppliers receipt of notice of termination shall be accepted by the Purchaser at the Contract terms and prices. For the remaining Goods, the Purchaser may elect:</p> <p>(i) to have any portion completed and delivered at the Contract terms and prices; and/or</p> <p>(ii) to cancel the remainder and pay to the Supplier an agreed amount for partially completed Goods and Related Services if applicable and for materials and parts previously procured by the Supplier.</p>
27. Forced Labor	<p>27.1 The Supplier, including its Subcontractors, shall not employ or engage forced labor or persons subject to trafficking, as described in CC 27.2 and CC 27.3.</p> <p>27.2 Forced labor consists of any work or service, not voluntarily performed, that is exacted from an individual under threat of force or penalty, and includes any kind of involuntary or compulsory labor, such as indentured labor, bonded labor or similar labor-contracting arrangements.</p>


	27.3	Trafficking in persons is defined as the recruitment, transportation, transfer, harboring or receipt of persons by means of the threat or use of force or other forms of coercion, abduction, fraud, deception, abuse of power, or of a position of vulnerability, or of the giving or receiving of payments or benefits to achieve the consent of a person having control over another person, for the purposes of exploitation. Having control over another person, for the purposes of exploitation.
28. Child Labor	28.1	The Supplier, including its Subcontractors, shall not employ or engage a child under the age of 14 unless the national law specifies a higher age (the minimum age).
	28.2	<p>The Supplier, including its Subcontractors, shall not employ or engage a child between the minimum age and the age of 18 in a manner that is likely to be hazardous, or to interfere with, the child's education, or to be harmful to the child's health or physical, mental, spiritual, moral, or social development.</p> <p>Work considered hazardous for children is work that, by its nature or the circumstances in which it is carried out, is likely to jeopardize the health, safety, or morals of children. Such work activities prohibited for children include work:</p> <ul style="list-style-type: none"> (a) with exposure to physical, psychological or sexual abuse; (b) underground, underwater, working at heights or in confined spaces; (c) with dangerous machinery, equipment or tools, or involving handling or transport of heavy loads; (d) in unhealthy environments exposing children to hazardous substances, agents, or processes, or to temperatures, noise or vibration damaging to health; or (e) under difficult conditions such as work for long hours, during the night or in confinement on the premises of the employer.
29. Health and safety obligations	29.1	The Supplier shall comply, and shall require its Subcontractors if any to comply, with all applicable health and safety regulations, laws, guidelines, and any other requirement stated in the Technical Specifications.

Schedule 1

Line Item N°	Description of Goods	Quantity required	Named Place of Destination (for CIP)	<i>[As applicable]</i> Place of Final Destination (Project Site)	Applicable Incoterms	Delivery Period
1	Disposable Surgical Mask, healthcare worker, Type II Ctn size: 52.5x41.5x36.5cm 2000 pcs/ctn	3,000,000	Tbilisi International Airport, Georgia	N/A	CIP	Within 60 days from the date of issue of a Pre-Production Test Report or, if the order is fulfilled from existing stock, 30 days from completion of the During Production Testing as defined in Schedule 5.

Schedule 2

Technical Specifications

Product	Standard	Description
Disposable Surgical Mask, healthcare worker	EN14683, type II	<p>Surgical mask, non-sterile, good breathability, internal and external faces should be clearly identified EN 14683, Type II with ear loop harness.</p> 

Schedule 3

Table1: Goods to be supplied from outside the Purchaser's country

1	2	3	4	5	6	7	
Line Item N°	Description of Goods	Country of Origin	Delivery Date as defined by Incoterms	Quantity and physical unit	Unit price CIP Tbilisi International Airport, Georgia (USD)	CIP (Col. 5x6) (USD) Total Price per line item (USD)	
1	Disposable Surgical Mask, healthcare worker EN14683, Type II	China	CIP	3,000,000	US\$0.203	US\$609,000	
						Total Price	US\$609,000

Contract Price

The Contract Price for the supply and delivery of the Goods, and related Services is as follows:

Price Schedule	Amount
Goods: Price Table 1	US\$609,000
Contract Price	

Schedule 4

Fraud and Corruption

(Text in this Schedule shall not be modified)

1. Purpose

1.1 The Bank's Anti-Corruption Guidelines and this annex apply with respect to procurement under Bank Investment Project Financing operations.

2. Requirements

2.1 The Bank requires that Borrowers (including beneficiaries of Bank financing); bidders (applicants/proposers), consultants, contractors and suppliers; any sub-contractors, sub-consultants, service providers or suppliers; any agents (whether declared or not); and any of their personnel, observe the highest standard of ethics during the procurement process, selection and contract execution of Bank-financed contracts, and refrain from Fraud and Corruption.

2.2 To this end, the Bank:

- a. Defines, for the purposes of this provision, the terms set forth below as follows:
 - i. "corrupt practice" is the offering, giving, receiving, or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party;
 - ii. "fraudulent practice" is any act or omission, including misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain financial or other benefit or to avoid an obligation;
 - iii. "collusive practice" is an arrangement between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of another party;
 - iv. "coercive practice" is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party;
 - v. "obstructive practice" is:
 - (a) deliberately destroying, falsifying, altering, or concealing of evidence material to the investigation or making false statements to investigators in order to materially impede a Bank investigation into allegations of a corrupt, fraudulent, coercive, or collusive practice; and/or threatening, harassing, or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation; or
 - (b) acts intended to materially impede the exercise of the Bank's inspection and audit rights provided for under paragraph 2.2 e. below.
- b. Rejects a proposal for award if the Bank determines that the firm or individual recommended for award, any of its personnel, or its agents, or its sub-consultants, sub-contractors, service providers, suppliers and/ or their employees, has, directly or indirectly, engaged in corrupt, fraudulent, collusive, coercive, or obstructive practices in competing for the contract in question;

- c. In addition to the legal remedies set out in the relevant Legal Agreement, may take other appropriate actions, including declaring misprocurement, if the Bank determines at any time that representatives of the Borrower or of a recipient of any part of the proceeds of the loan engaged in corrupt, fraudulent, collusive, coercive, or obstructive practices during the procurement process, selection and/or execution of the contract in question, without the Borrower having taken timely and appropriate action satisfactory to the Bank to address such practices when they occur, including by failing to inform the Bank in a timely manner at the time they knew of the practices;
- d. Pursuant to the Bank's Anti- Corruption Guidelines and in accordance with the Bank's prevailing sanctions policies and procedures, may sanction a firm or individual, either indefinitely or for a stated period of time, including by publicly declaring such firm or individual ineligible (i) to be awarded or otherwise benefit from a Bank-financed contract, financially or in any other manner;¹ (ii) to be a nominated² sub-contractor, consultant, manufacturer or supplier, or service provider of an otherwise eligible firm being awarded a Bank-financed contract; and (iii) to receive the proceeds of any loan made by the Bank or otherwise to participate further in the preparation or implementation of any Bank-financed project;
- e. Requires that a clause be included in bidding/request for proposals documents and in contracts financed by a Bank loan, requiring (i) bidders (applicants/proposers), consultants, contractors, and suppliers, and their sub-contractors, sub-consultants, service providers, suppliers, agents personnel, permit the Bank to inspect³ all accounts, records and other documents relating to the procurement process, selection and/or contract execution, and to have them audited by auditors appointed by the Bank.

¹ For the avoidance of doubt, a sanctioned party's ineligibility to be awarded a contract shall include, without limitation, (i) applying for pre-qualification, expressing interest in a consultancy, and bidding, either directly or as a nominated sub-contractor, nominated consultant, nominated manufacturer or supplier, or nominated service provider, in respect of such contract, and (ii) entering into an addendum or amendment introducing a material modification to any existing contract.

² A nominated sub-contractor, nominated consultant, nominated manufacturer or supplier, or nominated service provider (different names are used depending on the particular bidding document) is one which has been: (i) included by the bidder in its pre-qualification application or bid because it brings specific and critical experience and know-how that allow the bidder to meet the qualification requirements for the particular bid; or (ii) appointed by the Borrower.

³ Inspections in this context usually are investigative (i.e., forensic) in nature. They involve fact-finding activities undertaken by the Bank or persons appointed by the Bank to address specific matters related to investigations/audits, such as evaluating the veracity of an allegation of possible Fraud and Corruption, through the appropriate mechanisms. Such activity includes but is not limited to: accessing and examining a firm's or individual's financial records and information, and making copies thereof as relevant; accessing and examining any other documents, data and information (whether in hard copy or electronic format) deemed relevant for the investigation/audit, and making copies thereof as relevant; interviewing staff and other relevant individuals; performing physical inspections and site visits; and obtaining third party verification of information.

Schedule 5

Quality Inspection and Testing

Unless an existing stock of Goods is available to fulfill the contract, quality inspection and testing services shall consist, as a minimum, of the following:

1. **Supply Chain Audit.** An audit of the supply, manufacturing, warehousing, distribution, and logistics facilities (“Supply Chain”) producing Goods for this contract. The audit shall include a review of the manufacturers quality management systems for the Supply Chain and assess the Supply Chain for evidence of worker or child exploitation or safety concerns. Audits shall include a physical inspection of the Supply Chain and applicable certifications. Supplier shall arrange timely access to the Supply Chain ensuring, so far as is reasonably possible, access to the Supply Chain no later than 72 hours from receipt of a request for access. The Reports (as defined in CC17.3) from the Supply Chain audit shall be provided simultaneously to the Purchaser, Supplier and The World Bank within 3 working days of the Supply Chain audit site visit.
2. **Pre-production Testing.** Pre-production testing shall be performed on pre-production Goods to verify compliance with quality standard(s) listed in Schedule 2 for each identified Good. As a minimum, the testing protocols outlined under During Production Testing shall be performed. The Reports (as defined in CC17.3) from the pre-production testing results shall be provided simultaneously to the Purchaser, Supplier and The World Bank within 20 working days of the sample collection.
3. **During Product Inspection (DPI).** DPI will consist of the inspection of randomly selected items in accordance with ISO 2859 for AQL (Acceptance Quality Limits) General Inspection Level II, shall be performed at the Supply Chain, and shall include inspection activities such as visual workmanship, quantity conformity, product conformity, packaging, marking, labeling, data measurement and field testing. Failure to pass DPI may necessitate corrective actions. Supplier shall ensure timely access to the Supply Chain ensuring, so far as is reasonably possible, access no later than 72 hours from receipt of a request for access and sample collection for DPI. The Reports from DPI shall be provided simultaneously to the Purchaser, Supplier and The World Bank prior to Final Random Inspection.
4. **During Production Testing.** Testing during production shall be conducted using an outside laboratory to verify compliance with quality standard(s) listed in Schedule 2. Samples for testing shall be randomly selected during the DPI site visit in accordance with the testing protocols specified in Table 1. Failure to pass during production testing may necessitate corrective actions. Supplier shall ensure timely access to the Supply Chain ensuring, so far as is reasonably possible, access no later than 72 hours from receipt of a request for sample selection during DPI. The

Reports from during production testing shall be provided simultaneously to the Purchaser, Supplier and The World Bank prior to Final Random Inspection.

Product	Standard	Test
Disposable Surgical Mask, healthcare worker	EN14683, Type II	Bacterial Filtration Efficiency

5. **Final Random Inspection (FRI).** FRI shall be performed prior to loading at the Supplier's distribution center, unless designated otherwise. FRI shall include, but not be limited to the inspection of randomly selected Goods in accordance with ISO 2859 for AQL, General Inspection Level II for visual workmanship, quantity conformity, product conformity, packaging, marking, labeling, data measurement and field testing as confirmed by SGS in its Supply Chain Audit Report. The Reports for FRI shall be provided simultaneously to the Purchaser, Supplier and The World Bank within 3 working days of completion of the inspection.

If the Goods to fulfill the contract consist of existing stock, quality inspection and testing services shall consist of, as a minimum, a review of applicable product and manufacture certification documents, an assessment of worker and child exploitation and safety, the During Production Testing requirements outlined in paragraph 4 and the full FRI requirements as outlined in paragraph 5.

Appendix 1: Quotation for Inspection Services

Manufacturing for this contract will take place in **Zhongshan City, Guangdong Province, China**. As such, SGS has provided inspection and testing costs estimates based on the requirements outlined in Schedule 5.

Note that costs will be higher if inspections are conducted on weekends, public holidays or other non-workdays.

Table 1 below summarizes estimated not-to-exceed costs for inspection and testing including travel and other costs.

Product	Inspection Agency	Estimated Not-to-Exceed Cost
Disposable Surgical Mask, healthcare worker	SGS	US\$ 9,000

The quotation details for these estimated costs are provided below and include the following assumptions:

- AQL General Insp. Level II - suggested split approx. 60% DPI and 40% FRI
- Include any additional costs such as travel costs in remarks.
- Inspection and Supply Chain Audit fee are quoted based on ordinary supplier location. Man days of inspection might be added depending on the actual location of the supplier.
- Inspection duration or man days depends on how many batches for each item.
- Testing Duration time means testing and reporting time.

PRODUCT	Requirement			Inspection Agency Response (Complete all non-shaded cells)						
	Testing Standard	Physical Inspection/ <i>Testing (italics)</i>	Sample Size	Estimated Item Inspections per Man-Day	Price per Man-Day (USD)	Testing Price per batch (USD)	Test Batch Size	Duration (days)	*Additional Costs (USD)	Comments Additional Costs
Mask, healthcare worker										
		Factory Audit (per Factory)			US\$600			1	US\$50	FEE: \$600 EXPENSES: \$50 Overtime fee : USD 200 (If factory will be arranged in Weekend)
	EN 14683, Type II	Pre-Production Testing: Bacterial Filtration Efficiency Testing	Based on Testing Standard (10 pieces)			US\$1,403		Regular 10 working days; Express 8 working days +40% surcharge; Urgent 6 working days +100%	0	Urgent 6 working days +100% surcharge
		DPI Physical Inspection	AQL General Insp. Level II	315pcs	US\$288			1-2	0	FEE: \$576 (2 DAYS @ \$288) EXPENSES: no Overtime fee : USD 400 (If factory will be arranged in Weekend)
	EN 14683, Type II	During Production Testing: Bacterial Filtration Efficiency Testing	Based on Testing Standard			US\$1,403		Regular 10 working days; Express 8 working days +40% surcharge; Urgent 6 working days +100%	0	Urgent 6 working days +100% surcharge
		Final Random Inspection	AQL General Insp. Level II	315pcs	US\$288			1-2	0	FEE: \$576 (2 DAYS @ \$288) EXPENSES: no Overtime fee : USD 400 (If factory will be arranged in Weekend)

Attachment 1

Manufacturer's Authorization

[The Supplier, who does not manufacture the Goods shall require the Manufacturer to fill in this Form in accordance with the instructions indicated. This letter of authorization should be on the letterhead of the Manufacturer and should be signed by a person with the proper authority to sign documents that are binding on the Manufacturer.]

Date: *[insert date (as day, month and year)]*

Direct Contracting No.: *[insert reference number as applicable]*

To: *[insert complete name of Purchaser]*

WHEREAS

We *[insert complete name of Manufacturer]*, who are official manufacturers of *[insert type of goods manufactured]*, having factories at *[insert full address of Manufacturer's factories]*, do hereby authorize *[insert complete name of the Supplier]* to provide the following Goods, manufactured by us *[insert name and or brief description of the Goods]*, and to subsequently negotiate and sign the Contract.

We hereby extend our full guarantee and warranty in accordance with Clause 20 of the Conditions of Contract, with respect to the Goods offered by the above firm.

We confirm that we do not engage or employ: (i) forced labor or persons subject to trafficking in accordance with Clause 27 or (ii) child labor in accordance with Clause 28, of the Conditions of Contract. We also confirm that we comply with applicable health and safety obligations in accordance with Clause 29 of the Conditions of Contract.

Signed: *[insert signature(s) of authorized representative(s) of the Manufacturer]*

Name: *[insert complete name(s) of authorized representative(s) of the Manufacturer]*

Title: *[insert title]*

Dated on _____ day of _____, _____ *[insert date of signing]*