

GENERAL CONTRACT
ON
MODERNIZATION AND RECONSTRUCTION OF HUNGARIAN - SERBIAN
RAILWAY LINE ON THE TERRITORY OF THE REPUBLIC OF SERBIA
BETWEEN
THE GOVERNMENT OF THE REPUBLIC OF SERBIA
AND
JSC "INFRASTRUCTURE SERBIAN RAILWAYS"
AND
JV "CHINA RAILWAY INTERNATIONAL Co.,Ltd. " AND "CHINA
COMMUNICATIONS CONSTRUCTION COMPANY Ltd."

NOVEMBER 2015

1. The Government of the Republic of Serbia, Belgrade, 11 Nemanjina Street, represented by Aleksandar Antić, Minister of Mining and Energy, hereinafter referred to as: Financier,

and

2. Joint Stock Company "Infrastructure Serbian Railways", Belgrade, 6 Nemanjina Street, identification number 2112709 registered at the Serbian Business Registers Agency Belgrade, represented by Goran Maksic, Acting General Manager, hereinafter referred to in: Investor,

and

3. Joint venture of China Railway International Co. Ltd. and China Communications Construction Company Ltd., respectively registered at the Business Registers Agency of the People's Republic of China, respectively with the number 100000000045318/100000000039962, with the license to perform business activities in the area of performance of construction works abroad number 1100201500025/1100200000116, represented by Mr. Yang Zhongmin/Mr. Liu Qitao, hereinafter referred to as: **Contractor**,
Hereinafter jointly referred to as: **Contracting Parties**.

In view of:

- The Heads of Governments accord and Guidelines for cooperation between the People's Republic of China and 16 countries of Central and Eastern Europe from the meeting of the Heads of Government in Bucharest 2013 and in Belgrade 2014,
- The Memorandum of Understanding on the Hungarian-Serbian Railway Project, between the National Development and Reforms Commission of the People's Republic of China, the Ministry of Foreign Affairs and Trade of Hungary and the Ministry of Construction, Transport and Infrastructure of the Republic of Serbia, signed in Belgrade, on 16th December 2014,
- The Agreement on Economic and Technical Cooperation in the field of Infrastructure between the Government of the Republic of Serbia and the Government of the People's Republic of China, signed on 20th August 2009 in Beijing,
- The Minutes of the first Trilateral Technical Working Group Meeting, held on 24-25th September 2015 in Belgrade,

In order to implement The Hungarian - Serbian Railway Project,

Agree to the following:

GENERAL CONTRACT ON THE MODERNIZATION AND RECONSTRUCTION OF
HUNGARIAN - SERBIAN RAILWAY LINE ON THE TERRITORY OF THE REPUBLIC
OF SERBIA

Article 1

SUBJECT

The subject of this General Contract is the execution of works on the territory of the Republic of Serbia for the railway track Belgrade - Subotica – State Border (Kelebija) as a part of the Xb Pan-European Corridor, for the railway sections Belgrade - Stara Pazova and Novi Sad - Subotica – State Border (Kelebija).

Article 2

All activities on the Hungarian-Serbian Railway Project, including construction, equipment, safety, traffic management and interoperability, shall be executed in accordance with the legislation of the Republic of Serbia, as well as requirements set out in the European Union regulations for reconstruction, construction and terms of usage of the Unified Railway Network of Europe (TEN-T).

Article 3

VALUE

The Contract value shall be determined within the Commercial Contract on modernization and reconstruction of the Hungarian - Serbian railway in the territory of the Republic of Serbia (hereinafter: The Contract) that the Contracting Parties will conclude upon the adoption of the Preliminary Design of both sectors of the railway line by the State Reviewing Commission, by 30 November 2016.

Article 4

NECESSARY ACTIVITIES FOR THE COMMENCEMENT OF WORKS

The Investor, in collaboration with the authorized institutions of the Republic of Serbia prepares all the necessary documentation in accordance with the Law on Planning and Construction and conducts the procedure of land acquisition.

Within the established relations of mutual trust and cooperation, the Contracting Parties have agreed on the meeting held in Belgrade, and in accordance with the Memorandum of Understanding on Cooperation in Completion of the Preliminary Design for the Hungarian-Serbian Railway Project in the territory of the Republic of Serbia between the Institute of Transportation CIP, Belgrade and JV “CHINA RAILWAY INTERNATIONAL CORPORATION” and “CHINA COMMUNICATIONS CONSTRUCTION COMPANY”, to include the Chinese designers in the preparation of the Preliminary Design for the Project.

Article 5

CONTRACTOR'S OBLIGATIONS

The Contractor carries out construction works, procurement of materials and equipment and installation of these into the railway infrastructure on the sections of the railway line defined in Article 1 of this General Contract. In performing the above mentioned works, the Contractor's obligations to strictly abide the conditions, as stipulated in Article 2 of this General contract. In undertaking the abovementioned activities, the Contractor shall ensure that the share of the services and goods of Chinese origin is 54%, and the share of services and goods of non-Chinese origin 46% of the total value of the project, to be determined in the Commercial Contract stipulated in Article 3 of the General contract.

All activities of the Contractor in the territory of the Republic of Serbia shall be performed in compliance with the regulations of the legislation of the Republic of Serbia and in accordance with provisions of the Agreement on Economic and Technical Cooperation in the Field of Infrastructure between the Government of the Republic of Serbia and the Government of the People's Republic of China and other intergovernmental agreements concluded between the Republic of Serbia and the People's Republic of China.

The Works Execution Design shall be prepared by the Contractor.

Supervision of works shall be determined in accordance with national jurisdiction that regulates this scope of activity, whereas the costs of supervision shall be included in the total value of Commercial Contract referred to in Article 3 of this General Contract.

The construction period is 24 months from the date of issuance of the Building Permit, which will be in detail determined in the Commercial Contract.

Article 6

FUNDING

The China Export-Import Bank, Beijing, has been appointed as a potential creditor. The details of the arrangement shall be agreed between the authorized financial institutions of both countries. The Investor and Financier are under obligation to, within 15 days upon the date of conclusion of the Commercial Contract and not later than the 31st December 2016 submit to The China Export-Import Bank the application for loan for financing the Project defined in the Article 1 of this General Contract together with Commercial Contract, Feasibility Study and Environmental Impact Study for sections of the railway line in the territory of the Republic of Serbia.

Article 7

PROVISIONS OF THE CONSTRUCTION CONTRACT

Apart from the obligations set out in this Contract, the Commercial Contract shall define more closely other elements of the contract, such as: technical specifications, dynamic plan of works on the reconstruction and construction, ensuring undisturbed traffic flows, as well as to define

other mutual rights and obligations concerning compliance with the deadlines, insurance, payment method, amendments to the contract, quality control of works, installed material and equipment, instruments and settlement of disputes between the Contracting Parties.

The Commercial Contract shall be deemed concluded on the day when the Contracting Parties sign it and shall enter into force within 7 days of the entry into force of the Loan Agreement between the Government of The Republic of Serbia and China Exim Bank for its funding. If the Loan Agreement is not concluded for the Project of Hungarian - Serbian railway line in the territory of the Republic of Serbia until 31st December 2017, the Commercial Contract shall be void and each of the Contracting Parties shall own the intellectual property created as a result of the engagement in the Commercial contract i.e. bear costs of the performed actions on its own expense.

Article 8

FINAL PROVISIONS

This General Contract is done in English in 6 originals.

Amendments to this General Contract may be done only with the consent of the Contracting Parties.

Disputes and differences in interpretations that may derive from this General Contract shall be resolved by the Contracting Parties by means of friendly negotiations.

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X


The General Contract on the modernization and reconstruction of Hungarian - Serbian railway line in the territory of the Republic of Serbia shall enter into force on the date of signing by the authorized persons of the Contracting parties and its validity shall cease on the date of the entry into force of the Commercial contract.

In Suzhou _____ November 2015

For Financier


Aleksandar Antić

For Contractor

Huang Difu 

For Investor

Goran Maksić 

Wen Gang 