振华石油
ZhenHuaOil

Provision of Supplying T-Wall & Watchtower for S1 & S2 Camps
Contract No. 003-SC-18-A

1. **China ZhenHua Oil Co.,Ltd (EBS PROJECT)** hereinafter called as the "Company, represented by **Mr. Chen Pei**, the President of the Company , as the first party,
2. **Noor Baghdad For Contracting Company** hereinafter called as the "Contractor", represented by Mr. _Raed Kadhim _Hasan Al-shakarchi_as the second party

Both parties agree with follows:

I. GENERAL

1 Effective date and duration

The duration for the contract will be six month ,from the date both parties signed the contract, and each quantity and duration will be mentioned by work order issued by user dept. Contractor must supply T-Wall & Watchtower for S1 & S2 Camps as required including making, transporting and setting on camp after receive work order. Contractor will be fined 1% of work order total amount of each day delay unless there is un-control factor affect the duration of delivery ,Meanwhile Company will not issue the work order to the related contractor in the next three month, and will cancel all the contracts signed with contractor.

Any Change of the contract should be based on the mutual discussion according to the regulation.

2 Scope of work

Contractor shall, in accordance with international industry standards,practice,generally engineering principles,&project management principles,conduct Provision of Supplying T-Wall & Watchtower for S1 & S2 Camps in EBS Oil Field.Scope of Supply ref to attached Annex 1 technical scope of supply & Technical Attachment A T-WALL Manufacture drawing

3 Contract Value

Contract based on unit price which will be stated in the Annex 2 Price List;Work order will be according to the user dept based on contractor's performance at prior work. **including all the cost on the product, delivery fee,clearance fee ,inland transportation fee , installed,tax and other related fees till all the work finished ;**

4 Payment

All the payment will be paid via T/T, against two original commercial correct invoice ,proof of

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delivery , acceptance letter of quantity by the user dept, and the payment will be as follows:

- ❖ The contractor will submit the commercial invoice after finished each work order and the work should be accepted by Company.
- ❖ Company will pay the contractor according to the actual work load provided ,transported , installed and accepted.
- ❖ All the payment will be paid within 60 working days after financial department' s approval via T/T to the available bank account outside Iraq,upon received two correct original commercial invoice ,proof of delivery,acceptance letter of completion by the user dept.if contractor does not obtain an account outside Iraq,the payment might be deferred at least for six months
- ❖ Contractor shall be responsible to pay any and all taxes and duties levied by Iraqi government according to the IRAQI taxation law. Company shall deduct withholding tax from the payment.
- ❖ If the contractor fails to pay the tax in full and on time, causing Company to be punished by the relevant departments of the Iraqi Taxation Bureau, Company has the right to delay the payment or deduct the tax and fine from the payment.

5 Bank information

- **Beneficiary Name: Noor Baghdad For Contracting Company**
- **Beneficiary Account**: 0023673
- **Beneficiary Bank: Bank Of Baghdad**
- **Branch No: Main Branch**
- **SWFT Code: BABIIQBA**
- **IBAN : IQ95BABI701 002367323750**

All details fill up when correct invoice submitted. The beneficiary name, company name and stamp should be fully the same.

6 Warranty Period

Upon the final acceptance test,Contractor shall :

- ❖ Handover of all the technical documentation and design
- ❖ The warranty period will be one year after final acceptance test (irrevocable and unconditional quality guarantee with the value is USD 50,000.00)
- ❖ The Contractor should provide an Irrevocable and unconditional performance guarantee (period is six month)against signed the contract (Performance guarantee value is USD 50,000.00)
- ❖ Contractor should warrant and imply that the items used hereunder are of the required quality and quantity are fit for use for particular purpose .

7 COMPANY' S RIGHTS

- ❖ Company has the right at any time to cancel the contract in case of the contractor did not fulfill the service requirement.

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- Company has its sole right to decide to dissolve or re-contract with other contractors in account of the 1st contractor,
- Company has the right to extend contract for another duration, such extension would be agreed on mutual agreement between two parties approved by Company Management
- Contractor is responsible directly to Company legally and ethically for all related work to the tender without interferes from any third party.

8 SUPERVISOR

- Supervisor of the Work is SE Dept. OF the Company .
- Supervisor has the right to visit the manufacture of settling location at any time during the execution of the project.
- Supervisor has the right to change any contractor's stuff if the stuff makes problems to the work.
- Supervisor has the right to hold the invoice for period of the time in case of contractors did not response as quickly as required to fix any problems, interruption of the signal or in case of ongoing problem without any repair
- Supervisor has the right to change any equipment during the performance warranty period

9 SUBCONTRACTORS

The contractor shall not assign this contract (or any part thereof) to another company without prior consent of the client.

10 TERMINATION

- If either party believes the other to be in fundamental breach of this contract they shall, within 15 days of the event or notice thereof, give a written notice to the other party stating the reason for and date of termination.
- Termination for convenience: The client shall reserve the right to terminate this contract, or any part hereof, for its sole convenience. In such case, the contractor shall immediately stop all work.
- If the contractor did not abide Company's service conditions; Company has the right to terminate the contract
- If the contractor did not provide enough suitable frame,truck and machine to supply and install the required items in time ,Company has the right to terminate the contract

11 Miscellaneous

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- The contractor shall indemnify and hold Company harmless against all any claims made by third parties arising out of any loss or damage, resulting from their conduct of this project.
- The contractor is solely responsible for the safety of all employees, visitors to the worksite, end-user employees and invitees, resident and passerby.
- The contractor is solely responsible for securing his own tools, equipment and workspace at the worksite.
- Contractor will abide the environmental and cleanliness conditions and his employee's personnel hygiene and are having no epidemic diseases.
- Contractor should responsible to clean up the site work every day by providing his employees will all cleanliness' tools (rubbish bags, rubbish bin, rubbish collecting vehicles),otherwise Company will clean up the site by its employees and charging the contractor amount payment for each cleaning.
- Contractor will provide Company and OPF a list contains all the vehicles No. evolved,Driver name and address.
- Contractor should use suitable trucks and machine which is not affect to the environment
- Contractor should abide and complies with all company safety and security policy.
- Contractor guarantees all his factory, trucks and machines and workmanship against dangerous defects and will follow normally accepted practices in assuring a safe working environment and product.

12 Contractor's Responsibility

- Contractor should provide all his employees with PPE equipment (such as:safety shoes,Safety helmet,safety uniform must be cotton shows the company logo and name,safety belt,safety gloves, first aid kits, fire extinguisher and company card for each labors).
- Contractor will be responsible for his employee's security background, behaviors. Also to provide the OPF labor's' information list contains labor's names, labor's address.
- The contractor is responsible for the related insurance for their employees, equipment etc.
- The contractor will be responsible for all his employees' issues but not limited to the food, transportation, social assurance, PPE, HSSE, accident etc. machines and tolls used in work in good condition.
- The contractor shall be responsible for providing ample drinking water for their personnel, subcontractors and any other non-Coalition personnel linked to this contract in any way.
- CONTRACTOR shall make, scrutinize, follow up and coordinate/deal all the necessary import and export formalities, permits,renew and rename of related papers and approvals from the related Iraqi and point of origin Custom/Port/the relevant governmental authorities for its equipment with the necessary documents assistance of COMPANY.

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- ❖ Contractor shall fully consider the local employment and have the obligation to maintain a good relationship with the local communities. Otherwise, if it fails to work properly, which may lead to cancel all the contracts signed with the contractor .
- ❖ Contractor shall fully consider the utilization of local employment and equipment from the land owner of working area, and have the obligation to maintain a good relationship with the local communities. Otherwise his failure to work properly may lead to cancellation of the contract.

13 Delay of the performance

The contractor should work according to each work order submit by user department, any unpredictable things that will effect on project progress the contractor should inform the company in 2 days advance, otherwise the company has the Authority to terminate the contract without any payment. In case of failure of completion of project by date specified, Company shall settle additional deadline of each work order and charge the contractor with conventional penalty of 1% of the contract value A DAY of Delay

14 Failure of complete

In case of failure of completion of the project by additional period of time, or below required quality, the client is entitled to dissolve the contract without prior notice.

15 DISPUTES

Any dispute arising out of or in connection with this contract, including any question regarding its existence, validity or termination, shall be referred to and finally resolved by arbitration under the LCIA Rules, which Rules are deemed to be incorporated by reference into this clause.
The number of arbitrators shall be three.
The seat, or legal place, of arbitration shall be London.
The language to be used in the arbitration proceedings shall be English.
The governing law of the contract shall be the substantive law of Iraq.

16 CHANGES

Any Change of the contract should be based on the mutual discussion
Any changes to this contract can only be made by written agreement of both partied to any expenditure for materials or services being performed.
On and after the date of the registration of the branch office of the EBS Project Company in the Republic of Iraq, a supplementary agreement shall be signed to secure the entire entitlements of the contracts and documents signed by the Authorized in the name of ZhenHua Oil to be

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Noor Baghdad Company

• Annex 1 Technical Scope of Supply for 003-SC-18-A

1. Technical Scope of Supply

Item	UOM	Description	Technical Demand (USD)
1	pcs	Supplying and installing T wall(H=3.65m,W=1.5m) in the oilfield.	Contractor is responsible to manufacture and install T wall. See annex A.

2. Technical requirement

2.1T-Wall

2.1.1 T-Wall fabrication requirement

Steel cage: Number of vertical steel bar is 7, number of across steel bar is 14, number of T-Wall foot steel bar is 5, diameter of main steel bar is 12mm etc. Steel bar should be cover appropriately before make steel cage, any rust steel bar is not acceptable, another details and layout of steel bar refer to attachment A.

Template: Shape of template must follow the measurement of design, contractor must supply new template for the first use and correct the template in good shape once distorted. Any broken and curve template are not acceptable.

Concrete: Only C30 is allowed. 12 pieces' samples (10cm×10cm×10cm) must be made during cast operation and send to laboratory appointed by Company and MDOC within 28 days and pay all costs of test by Contractor. Company will reject the T-wall which result of test failed or any delay of sample delivery.The concrete surface of T-wall must mark a stamp with "EBS", name of Contractor and the date of casting.

2.1.2 Requirement of T-Wall transporting and setting

Contractor must supply T-Wall within 30 days including making, transporting and setting on well-site when receive work order.

T-wall must be tied up on the vehicle steady during transporting.

Mark line must be put before setting T-Wall up in order to make sure T-Wall vertical and straight.

Labor protection must be supplied by Contractor during any operation.

2.3 Supervise procedure

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Contractor must inform Company and MDOC supervisors before cast operation to check steel cage. Any T-Wall without check will be marked and rejected.

If contractor doesn't follow above demands well, Company will send a warning letter to contractor, if contractor receive 3 warning letter, Company will put the contractor on blacklist and terminated the contract.

If Contractor cover any unqualified sign marked by Company supervisors and use these unqualified T-Wall of watchtower on Company project without permission, Company will terminate the contract immediately and put the Contractor on blacklist.

Company keep the right to check concrete grade and lay-out of steel bar by technical detector even the T-Wall or watchtower already set up on site.

Only C30 is allowed to fabricate T wall and watchtower. 12 pieces' samples (10cm× 10cm×10cm) must be made during cast operation and send to laboratory appointed by Company and MDOC within 28 days and pay all costs of test by Contractor. Company will reject the tower which result of test failed or any delay of sample delivery. The concrete surface of T wall and watch tower must make a stamp with EBS,name of Contractor and date of casting.

2.4 Workloads and Price Confirmation

All workloads shall be checked and confirmed by representative of Company.

Actual price will be calculated by contract unit rate and accepted workloads.

Note:

1) The actual Required Qty of T-Wall or Watch Tower will be issued by the final confirmed work order issued from user dept.

2) All the Required T-Wall or Watch Tower provided should meet the above requirement and the technical Requirement as stated in the attached Attachment A &B

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wholly transferred to the EBS Project Company.

17 OTHERS

This contract is written in English language in two identical copies, one for each party.

Signing of the contract

China ZhenHua Oil Co Ltd (EBS PROJECT)

Name: Mr. Chen Pei

President

Signature: _____

Date: _____

Contractor: Noor Baghdad For Contracting Company

Name: Mr. _Raed Kadhim _Hasan Al-shakarchi_

President

Signature: _____

Date: _____