SUBCONTRACT

(CONSTRUCTION SERVICES)

No:SDSJ-YLK-XX-[2022]-003

BETWEEN

POWER CHINA INTERNATIONAL GROUP LIMITED

(THE CONTRACTOR)

AND

NOOR BAGHDAD FOR GENERAL CONTRACTING Co. Ltd.

(THE SUBCONTRACTOR)

FOR

THE CONSTRUCTION OF (46) MODEL SCHOOLS
IN BAGHDAD GOVERNORATE

16 APRIL , 2022

POWERCHINA INTERNATIONAL GROUP LIMITED
POWERCHINA

شركة نور بغداد
NB
للمقاولات العامة المحدودة

Subcontract Agreement

This Subcontract agreement is made and entered into this day of 16, 4 ,2022

Between

The Party A: PowerChina International Group Limited, and having its registered office at Baghdad / Al-Mansour district (Q. 609, St. 10, Home No. 8), and Registered in the Iraqi Ministry of Trade under the Registration Certificate No. (Meem Sheen 5786 on 1/10/2020) / Companies Registration Dept. / Foreign Companies.(hereinafter called "the **Contractor**") .

The Party B: Noor Baghdad Co. For General Constructions,a limited company registered under the laws of 【republic of Iraq (Ministry of Trade, Department of Registration of Companies)】, with its registered office 【Baghdad / Karrada Q.925, St.37, Home No.26 】, legally represented by 【Yas Khudair Asaker 】 and with Registration Number 【13103 on 6/3/2004】(hereinafter called "the **Subcontractor**") of the other part.

The **Contractor** and the **Subcontractor** are hereinafter referred to collectively as the **"Parties"** and, individually, as a **"Party"**.

Based on the decision of the Iraqi Council of Ministers No. (**386**) of **2021**, the letter of the General Secretariat of the Council of Ministers (hereinafter refer to as Employer) / Council of Ministers Affairs Dept. No. (Sh.Z.L/10/1/2/11/3044) dated **20/10/2021,** containing assigning the contract works to the custody of the Party A. Party A has been awarded to implement the Construction of the 144 Model Schools in Baghdad.

Whereas the subcontractor is desirous to construct part of the Model School Project under the main contract No.34/2021(hereinafter called "the subcontract works") as per the drawings, specifications and instructions of authorized representative of the Contractor.

Whereas the subcontractor is willing, and professes to be well experienced and fully equipped to undertake the aforesaid subcontract works.

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements set forth herein, the Parties hereto agree as follows:

1. Unless the context otherwise requires, the following terms and expressions in the SUBCONTRACT AGREEMENT shall have the meanings respectively assigned to them.

2. The SUBCONTRACT documents are to be read as a whole and are to be taken as mutually explanatory of one another. The following documents together constitute this SUBCONTRACT:

(1) – Subcontract Agreement

(2) - Special Conditions of the Subcontract.

(3) - Special Conditions of the Contract.

(4) - General Conditions of the Contract

(5) - Letter of Acceptance (assignment)

(6) - Tender Drawings.

(7) - BOQ.

(8) - Amendments to the bid letter(if any)

(9) - Letter of Bid

NOTE: In the event of any discrepancy or conflict in any of the clauses of the ten contract documents above, which are considered as the basis for the entire contract, then the priority and the right shall be for what is stipulated in the content of this (PART 1) – subcontract agreement.

3.Unless otherwise expressly stated elsewhere in this Subcontract, the conditions and terms of the Main Contract shall apply to the Subcontractor on a back to back basis in this Subcontract, The Subcontractor hereby acknowledges that it will comply with all the requirements specified in this Subcontract and consecutive the Main Contract. The starting point of subcontractor's behavior is to protect the Contractor's interests from infringement Subcontractor shall indemnify, defend and hold harmless Contractor, its affiliates, and the personnel or agents of any of them from damaging the interests and rights of the contractor. The negligence or willful misconduct or the failure to fulfill the obligations of defending and holding harmless Contractor will be construed as a breach of contract.

The Subcontractor will not be paid or compensated unless the Contractor has obtained the same from the Employer. Where the Contractor is requested to pay any liquidated damages or loss due to the subcontractor by the Employer, under the subcontract works,the Subcontractor shall pay the same to the Contractor in accordance with its corresponding proportion to subcontract amount divided by main contract amount.

According to the back-to-back principle, the variation payment received by the contractor from the employer shall be paid to the subcontractor in proportion to the subcontract and the main contract.

Article One: Subject of the Subcontract

The Subcontractor will be obligated to establish model schools in the governorate of Baghdad with a number of 46 schools, the details of which are indicated in Article 4, according to the Drawings and Contractor Bill of Quantities, which shall be in line with the standard document of public works and the Subcontract Special Conditions, the General Conditions and special conditions in Article 7 and 8 of the same document, which is an integral part of the Subcontract.

Article Two: Term of the Subcontract

1. The total Subcontract period is is limited to December 31, 2023, and all school construction projects must be handed over before this date.

2. The implementation period for one school (457) is four hundred and fifty-seven calendar days starting from the date of handing over the land to each school.

3.List of schools that should be completed and handed over in 2022,However, no panelty shall be applied in case of delay.

NO.	School number	School type	Hand-over Time
1	103	18B	December 31, 2022
2	114	18B	December 31, 2022
3	134	12B	December 31, 2022
4	142	12B	December 31, 2022

Article Three: Deletion and Creation

1. The Contractor will have the right to delete from the number of schools agreed upon in this Subcontract, but shall not to exceed 10%, if the employer delete any school,the subcontractor will accept unconditionally, Contractor shall settle subcontractor for work done.

2. The Contractor will have the right to increase the number of schools in Rusafa District by 20% at the same prices as stated in the Subcontract,if the employer increase it,the subcontractor will accept unconditionally.

3.The number of schools stipulated in the subcontract is tentative. Whether the school project started in the early stage can normally perform ,is the basis for determining the total number

of schools that the subcontractor can implement. The contractor has the right to adjust the number according to the evaluation of the subcontractor's performance ability.

Article Four: Subcontract Amount and Payment Terms

Total Subcontract Amount: USD 77,288,653.08 (SEVENTY-SEVEN MILLION, TWO HUNDRED AND EIGHTY-EIGHT THOUSAND, SIX HUNDRED FIFTY-THREE US Dollars AND EIGHT CENTS ONLY).

The work is included and according to the allocation and prices specified for each type of school, according to the schedule below:

Item	School Capacity	Numbers of Schools	School Price USD	Amount USD
A	24	5	2,250,885.01	11,254,425.05
B	12	7	1,105,595.91	7,739,171.37
	18	28	1,664,836.72	46,615,428.16
	24	6	1,946,604.75	11,679,628.50
Total School No.		46	**Total Amount USD**	**77,288,653.08**
The Amount: SEVENTY-SEVEN MILLION, TWO HUNDRED AND EIGHTY-EIGHT THOUSAND, SIX HUNDRED FIFTY-THREE US Dollars AND EIGHT CENTS ONLY				

1- The dues of the Subcontractor will be paid according to the Special Conditions of the Subcontract and Article (14) of the general conditions (Article 7) of the general standard works document.

2- The Contractor shall pay the first payment within 45 days from the submission date of first payment application by the subcontractor.

3- The price of the school is tentative, and the specific Subcontract price and amount is subject to the actual project quantity and the unit price in the BOQ.

Article Five: Performance Bond

The subcontractor shall submit a bank cheque equal to 5% of the subcontract amount as a performance quarantee which shall be returned at issuance date of Certificate of Initial Acceptance (PAC).

POWERCHINA INTERNATIONAL GROUP LIMITED

شركة نور بغداد للمقاولات العامة المحدودة