SUBCONTRACT AGREEMENT

This Subcontract Agreement ("Agreement") is entered into on this day of May 21, 2019 ("Contract Date") by and between:

Hanwha Engineering & Construction Corp., a company duly organized and existing under the Laws of the Republic of Korea with its registered Iraqi office at Hanwha Bismayah Camp, near Baghdad Gate, Bismayah City, Iraq ("Contractor"),

and

NoorBaghdad Company, a company organized and existing under the laws of Iraq having its registered office at Al hureyah sq, karadah, Baghdad, iraq ("Subcontractor").

PREAMBLE:

WHEREAS, the Contractor has entered into the Contract Agreement("Main Contract") to Build and Develop Bismayah New City Project("Project") with the National Investment Commission of the Republic of Iraq ("Employer") on the date of May 30th, 2012.

WHEREAS, The Contractor is desirous that [Discharge Pipe Line(Section2)] of the Main Contract ("Subcontract Works") shall be carried out and completed all as described in this Agreement by the Subcontractor who is specialized for such works in accordance with the terms and conditions of the Main Contract including any variations subject to the requirements of the Contractor.

WHEREAS, the Subcontractor has submitted, and the Contractor has accepted, a bid to carry out and maintain certain works forming part of the Project, upon the terms and subject to the conditions mentioned below.

NOW, THEREFORE, the Contractor and the Subcontractor (collectively, the "Parties", and individually, a "Party") have agreed that:

1. **Definitions**

   Unless otherwise defined herein, all capitalized terms any words and expressions shall have the same meanings as are respectively assigned to them in General Terms and Conditions attached to this Agreement:

2. **Priority of Contract Documents**

   The following documents shall be deemed to form and be read and construed as part of this Agreement. For the purposes of interpretation, the priority of the documents shall be in accordance with the following sequence:

   a. This Agreement, including following Appendices:

- Appendix – A: Scope of Works
- Appendix – B: Breakdown of Quantities and Prices
- Appendix – C: Construction Schedule
- Appendix – D: Specification & Drawings

b. Schedule 1. The General Terms and Conditions of Subcontract Agreement

c. Schedule 2. Performance Guarantee

3. Execution of the Subcontract Works

In consideration for the payments to be made by the Contractor to the Subcontractor, the Subcontractor hereby covenants with the Contractor that it shall execute, complete, remedy any defects in the Subcontract Works and maintain the Subcontract Works and discharge all its duties and obligations in strict conformity with the provision of this Agreement. The Subcontractor is deemed to have studied and understood the documents listed in Article 2 of this Agreement, inspected the Subcontract Works Sites including any ground and sub-surface conditions to determine the suitability of the site, and acquainted himself with the materials, labors, personnel, construction plant, equipment, fuel, communications and difficulties related to the presence of obstacles and obstructions and satisfied himself about any other thing whatsoever that he may be required to carry out the above undertaking as no claims for compensation will be accepted if based on reasons of ignorance of any such matters or difficulties of rules, regulations and/or laws.

4. Local Conditions

a. The Subcontractor shall be deemed to have fully satisfied himself as to the nature, terrain, weather, conditions, location and access whatsoever of Subcontract Works Sites.

b. With regard to the Subcontract Works and the Main Contract Works relating thereto, the Subcontractor shall be deemed to have full knowledge of the requirements of the Employer and agents, and the Subcontractor shall strictly comply with such requirements.

c. The Subcontractor shall strictly comply with, any and all laws, rules, regulations, codes and procedures applied to the Subcontract Works Site and this Agreement.

d. The Subcontractor shall, at its own cost and responsibility, obtain any and all necessary approval and/or permit to perform Subcontract Works from the Employer and/or the relevant authorities and/or other parties.

5. Contract Price

a. In consideration of the execution, completion and maintenance of the Subcontract Works and discharging of all its duties and obligations under this Agreement, the Contractor shall pay the Subcontractor a total amount of USD 1,523,078.4 calculated in accordance with the terms of this Agreement.

b. The Contract Price set out above is fixed and inclusive of all compensation for accomplishing the Subcontract Works and performing all obligations to be carried out by the Subcontractor under this Agreement. The Contract Price shall not be subject to

any fluctuations of work volume, any variations in exchange rate nor to any increase or decrease occurring by way of escalation, inflation or fall in market prices of materials, utilities and/or labor.

6. Payment of the Contract Price

Payment of the Contract Price shall be made in accordance with as followings.

a. Interim Payment

(1) The Contractor shall pay the Subcontractor the Interim Payment on monthly progress payment basis. 25th of each month, the Subcontractor shall submit to the Contractor a detailed invoice for the value of the Subcontract Works done together with supporting documents. The Contractor will then certify the Subcontractor's invoice, stating the amount determined by the Contractor as the value of Subcontract Works done. The portion or portions of the Subcontract Works that has not been approved by the Employer under the Main Contract shall not be considered as the Subcontract Works done.

(2) The Contractor shall pay to the Subcontractor the determined amount after deduction of the retention in accordance with Article 6.b below and any other deductions, if any, within (30) days from the receipt of the invoice subject to above Article 6.a.(1)

b. Retention

(1) Five percent (5%) of Subcontractor's each monthly invoice shall be deducted as retention. Such retention money shall be released to the Subcontractor within thirty (30) days from the expiration date of the Warranty Period(One(1)year).

(2) The Subcontractor may, instead of the retention money above, provide to the Contractor a retention bond in an amount that shall at all times be equal to the amount of the retention money.

(3) Three percent (3%) of the amount of Subcontractor's each monthly invoice under this Agreement shall be deducted in accordance with Article 28.4 of the Income Tax law of the Republic of Iraq. Such deduction amounts should be transferred to General Commission of Tax to be in Baghdad by the Contractor within 180 days from the date of charge payment. The Contractor should pass to the Subcontractor the receipt to be obtained from General Commission of Tax after payment of deduction amounts is completed.

7. Guarantees

a. Performance Guarantee

Within seven (7) days from the Contract Date, to secure the proper performance of the Subcontractor, the Subcontractor shall provide at its cost, a first demand bank guarantee (not surety bond of an insurance company) of an amount equivalent to ten percent (10%) of the Contract Price in the form of Schedule 2: Performance Guarantee from a first-class international bank satisfactory to the Contractor. The Performance Guarantee shall remain valid from the receipt by the Contractor until thirty (30) days from the date of issue of the Certificate of Acceptance.

8. Schedule of the Subcontract Works

a. The Subcontractor shall commence the Subcontract Works within three (3) days from the receipt of the notice to proceed ("NTP") to be issued by the Contractor to the Subcontractor. The date to be set forth in the NTP shall be the Commencement Date of the Subcontract Works.

b. The Subcontractor shall perform the execution of the Subcontract Works in a professional, regular and diligent manner in order to maintain the Schedule of Subcontract Works and achieve the completion of all of the Subcontract Works within the Time for Completion as set forth in the Appendix C: Construction Schedule.

9. Liquidated Damages for Delay

The Subcontract Works shall be completed in within the Time for Completion as set forth in the Appendix C: Construction Schedule or such extended time as may be approved by the Contractor. In the event that the Subcontractor fails to complete the Subcontract Works under this Agreement to the satisfaction of the Contractor within the Time for Completion, then the Subcontractor shall pay to the Contractor, as liquidated damages for such default and not as a penalty, an amount computed at the rate of one percent (1%) of Contract Price per a calendar week elapsing beyond the Time for Completion, subject to the maximum of ten percent (10%) of the Contract Price.

10. Notice

Notices to the Contractor under this Contract are to be given to Mr. Chang-Sung Kim and notices to the Subcontractor under this Contract are to be given to Mr. Raed Kadhim Hasan Al-Shakarchi. Any notice required or permitted are to be given hereunder shall be in English, in writing to the following addresses:

- The Contractor: Hanwha Engineering & Construction Corp.
  - Mailing Address: Hanwha Bismayah Camp, near Baghdad Gate, Bismayah City, Iraq
  - Phone No.: 0780 928 5329
  - E Mail: 0600060@hanwha.com

- The Subcontractor: NoorBaghdad Company
  - Mailing Address: Al hureyah sq, karadah, Baghdad, Iraq
  - Phone No.: 0790 199 9962, 0790 137 0131
  - E Mail: info@noorbaghdad.com

11. Governing Law and Dispute Resolution

a. This Agreement will be governed by and shall be interpreted in accordance with the Laws of the Republic of Korea.

b. All disputes, controversies or disagreements which may arise between the Parties, in relation to or in connection with this Agreement, or for the breach hereof shall be finally settled by arbitration. The arbitration shall be conducted by three (3) arbitrators in Seoul,

the Republic of Korea in accordance with the Rules of Arbitration of International Chamber of Commerce. The award rendered by the arbitrators shall be final and binding upon both Parties

12. Entire Agreement

This Agreement shall come into effect on the date of signing thereof by the Parties and any and all previous agreements and arrangements made between the Parties prior to this date in connection with the Subcontract Works, whether written or oral shall have no contractual or legal standing and shall be rendered null and void.

IN WITNESS THEREOF the duly authorized representatives of the Parties hereto have executed this Agreement in the day and year first above written.

For and on behalf of the Contractor:

By: Chang-Sung KIM

Title: Project Management Team Leader

Hanwha Engineering & Construction Corporation

For and on behalf of the Subcontractor:

By: Raed Kadhim Hasan Al-Shakarchi

Title: Executive Manager

Noorbaghdad Company