Framework Subcontract Agreement

For

Provision of Building Construction Works for GPP Project

SUBCONTRACT NO. IQ03020-SBC-2019-003

By and Between

China Petroleum Engineering & Construction Corporation (IRAQ)

And

Noor Baghdad for General Contracting & Logistic Services

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SECTION-1
FORM OF SUBCONTRACT

This Framework Subcontract Agreement for Provision of Building Construction Works for GPP Project (hereinafter referred to as this "**Subcontract**") is made and entered into this 23rd December , 2019 (hereinafter referred to as the "**Effective Date**", by and between)

China Petroleum Engineering & Construction Corporation (Iraq), a company registered in accordance with the laws of the Republic of Iraq and with offices at Majal Business Park-Burjessia, Zubair Street, Basra, Iraq (hereinafter referred to as "CPECC" or "Contractor").

And

Noor Baghdad for General Contracting & Logistic Services, a company registered under the laws of Iraq, having its registered office at Baghdad (hereinafter referred to as "NB" or "Subcontractor");

Contractor and Subcontractor hereinafter may also be referred to individually as a "Party" or collectively as the "Parties".

WHEREAS, Contractor desires to engage Subcontractor to provide Building Construction Works for GPP Project as more fully detailed in Exhibit-1(hereinafter referred to as "Service" or "Services").

WHEREAS, Subcontractor, having financial, technical and professional competence and skills, is interested in providing the Service in accordance with terms and conditions of the Service Order(s) and this Subcontract.

NOW, therefore, in consideration of the mutual promises, terms and conditions contained in this Subcontract, the sufficiency of which is hereby acknowledged, the Parties, acting in good faith and according to principles of international commercial fair dealing, mutually agree as set forth below:

Recitals:

(1) Scope of Service, under the Subcontract (See details in Exhibit-1).

(2) This Subcontract is a framework agreement between the Parties, the Contractor wishes that certain Service being the subject of Service Order (s) all as described in the Agreement. The Contractor shall have no obligation to issue any Service Order (s) at

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any time.

(3) The provisional price for the Service is 8,560,009 USD (Eight Million and Five Hundred Sixty Thousand and Nine USD only), the final Subcontract price shall subject to the actual quantities which shall be confirmed by Contractor, multiplied with the unite rates mentioned in Exhibit-2.The unit rates price shall not be subject to any increase for any cause, including, but not limited to cost escalation, currency exchange fluctuation, inflation or change in laws.

(4) In case, any penalty or claim from Owner or local government or other third party, or other damage indirectly or directly to the Contractor, due to Subcontractor's negligence or nonconformity of this Subcontract, the same shall solely be recovered from Subcontractor.

Articles:

IT IS AGREED as follows:

Article 1: This Subcontract shall become effective from the Effective data and shall remain in full force and effect for forty-eight (48) months; unless early terminated by either Party in accordance with provisions of the Subcontract, or as otherwise provided for in the Subcontract. Contractor shall have the right to extend the term of Subcontract for a further One (1) year by giving Subcontractor at least Five (5) days prior written notice, before the expiry of the term.

The whole schedule of Subcontract shall be for the period as set out in Exhibit 3:Project Schedule, and The duration of each actual Services requirement shall be for the period as set out in each Service Order, and Subcontractor shall provide the Services as per the related Service Order (s).

During the execution of this Subcontract, if Subcontractor fails to acquire Provisional Acceptance within the schedule or Contractor found that the provided Service is not up to the requirement of Contractor, the Contractor has the entitlement to terminate the Service Order (s) and Subcontract anytime by practicing the clause 13, in that case, Contractor is also entitled to assign the Service in whole or in part to other subcontractors to execute the Service, which shall not constitute any ground for the compensation to the Subcontractor or breach of the Service Order (s) and Subcontract.

Article 2: This Subcontract constitute the entire agreement between the Contractor and the Subcontractor with respect to the requirements of the Service and supersede all

prior documentation, negotiations, representations or agreements relating thereto, whether written or oral, except to the extent that they are expressly incorporated in this Subcontract.

Article 3: The following documents and their attachments shall together constitute the Subcontract between the Contractor and the Subcontractor and the term 'Subcontract' shall in all such documents be construed accordingly.

Section 1 Form of Subcontract
Section 2 Conditions of Subcontract

The Exhibits:
Exhibit 1: Scope of Service
Exhibit 2: Price Schedule
Exhibit 3:Project Schedule
Exhibit 4: Health, Security, Safety and Environment
Exhibit 5:QA/QC Requirement for Subcontract Work
Exhibit 6: Proforma Certificate of Provisional Acceptance
Exhibit 7: Clause Relating to Anti-corruption, Anti-bribery and Anti-money Laundering
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The documents forming the Subcontract are to be taken as mutually explanatory of one another. If an ambiguity or discrepancy is found in the contractual documents, then the interpretation by the Contractor shall be final.

In the event of any conflict between the terms and conditions of a particular Service Order and the terms and conditions set out in this Subcontract, the terms and conditions of that Service Order shall prevail.

In witness whereof the Parties hereto have caused this Subcontract to be executed in their respective names and by their duly authorized representatives as of the Effective Date.

For and on behalf of
China Petroleum Engineering & Construction Corporation (IRAQ)

Signature:

Name: LI ZHAOMING

Position: President CPECC (IRAQ)

For and on behalf of
Noor Baghdad for General Contracting & Logistic Services

Signature:

Name: Raed K. Al-Shakarchi

Position: General Manager

-End of Section-