Subcontract Agreement

For

Provision of Civil Works for Water Injection Boosting Station Upgrade

SUBCONTRACT NO.

CPECC/IRAQ/HFY-WIBS&C0943/SBC/2019/04

By and Between

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China Petroleum Engineering & Construction Corporation (IRAQ)

And

Noor Baghdad for General Contracting & Logistic Services

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Content of Subcontract

Section 1 *Form of Subcontract*
Section 2 *Conditions of Subcontract*

The Exhibits:
Exhibit 1: Scope of Service
Exhibit 2: Unit Price Schedule
Exhibit 3: Health, Security, Safety and Environment
Exhibit 4: Clause Relating to Anti-corruption, Anti-bribery and Anti-money Laundering
Exhibit 5: Drawings and Specifications
Exhibit6: Proforma Certificate of Final Acceptance#

SECTION-1

FORM OF SUBCONTRACT

This Subcontract Agreement for Provision of Civil Works for Water Injection Boosting Station upgrade (hereinafter referred to as this "Subcontract") is made and entered into this 22nd Aug, 2019 (hereinafter referred to as the "Effective Date", by and between

China Petroleum Engineering & Construction Corporation (IRAQ), a company in accordance with the laws of the Republic of Iraq and with registered office at Basra, Iraq (Hereinafter referred to as "Contractor" or "CPECC").

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 'Subcontractor') of the other part.

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 Provision of Civil Works for Water Injection Boosting Station upgrade 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 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).

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JNB
General Manager
Raed Kadhim Al-Shakarchi
Noor Baghdad Company

(2) The provisional Subcontract price for the Service is US$504,362.73 (United State Dollars Five Hundred and Four Thousand Three Hundred Sixty Two and Seventy Three Cent Only), the final Subcontract price shall subject to the actual quantities which shall be confirmed by Contractor, multiplied with the unit rates mentioned in Exhibit-2). The unit rates 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.

(3) 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 22nd Aug, 2019 and shall remain in full force and effect for Fifteen (15) 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 period by giving Subcontractor at least Ten (10) days prior written notice, before the expiry of the term.

Subcontractor shall acquire Final Acceptance within One (1) month from Effective Date, except OPF duty rooms construction within Three (3) months from Effective Date.

During the execution of this Subcontract, if Subcontractor fails to acquire Final 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 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 beach of the Service 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

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General Manager
Raed Kadhim Al-Shakarchi
Noor Baghdad Company

'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
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Exhibit 5: Drawings and Specifications
Exhibit 6: Final Acceptance Certificate

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 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:

Position:

LI ZHAOMING
President
CPECC (IRAQ)

For and on behalf of

Noor Baghdad for General Contracting & Logistic Services

Signature:

Name:

Position:

General Manager
Raed Kadhim Al-Shakarchi
Noor Baghdad Company

-End of Section-