振华石油
ZhenHua Oil

CONTRACT FOR Provision of S2-2 Camp Construction Project
Contract No. 073-SC-18

1. **China Zhenhua Oil Co.,Ltd** 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

Contract Effective date should be the date both parties signed the Contract .
Contractor should finished all the work within 50 days since the date of LOA issued.

- Contractor must Provide all related Service for Provision of S2-2 Camp Construction Project as required including Detailed design, design brief description, process diagram, plot plan, equipment, Construction, Procurement, Installation, Testing, Commission and all related service Followed the instruction of Company.
- Contractor will be fined 1% of total amount of Contract for each day delay unless there is un-control factor affect the duration of delivery ,if the delay is continued, Company will cancel all the contracts signed with the contractor, deduct the payment and report this issue to the MDOC and Moo, then to the black list.

Any change of the contract should be based on mutual discussion.

2 Scope of work

The contractor shall provide engineering, procurement, construction and commissioning of S2-2 camp and the details should refer to Annex 1 Technical Scope of Work .

3 Contract Value

The Contract is Lump-Sum Price with unit rate Contract , And the final paid amount should be based on the final Actual received and accepted Workload. The Contract Value is USD **764,200.00** including the relevant cost, fees all the Taxes & duties and other cost might be occurred during the Contract period; the final workload will be checked and confirmed by the end user dept.

4 Payment

All payments will be paid by Company via telegraphic transfer (T/T), upon receipt of invoices:
The Contract is Lump-Sum Price with unit rate, Contractor should complete all the work following the

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instruction of Company, and get the payment after finished all the work .

The payment will be based on the actual workload already completed and confirmed ,accepted by Company.

Company shall deduct the withholding tax from payment amount. Relevant commercial invoices must been checked and approved by the financial department in one month.

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 should provide the performance guarantee before signing the contract . and provide the quality guarantee before the payment.

5 Bank information

- **BENEFICIARY NAME: Noor Baghdad For Contracting Company**
- **Beneficiary's Address: Baghdad ,Al- Karada, Al-Huria Sq**
- **BENEFICIARY BANK: Bank of Baghdad / Main Branch**
- **BENEFICIARY BANK ADDRESS: Karada Khareg, Baghdad, Iraq**
- **BENEFICIARY ACCOUNT: 0023673**
- **SWIFT CODE: BABIIQBA**
- **IBAN: IQ95BABI701002367323750**
- **CORRESPONDENCE BANK: BANK /CITI BANK N.Y**
- **SWIFT CODE: CITIUS33XXX**

All details fill up when correct invoice submitted., and company name ,Beneficiary Name and the stamp should be strictly the same .

6 Tax

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.

Contractor agrees to indemnify and hold harmless to Company from and against any and all expenses, claims, costs, damages, losses or liabilities due to or arising out of Contractor being unable to comply with Iraqi Taxation Laws. Provided Company is imposed by relevant departments of the Iraqi Taxation Office and/or other competent authorities any tax penalty due to Contractor fails to comply with Iraqi Taxation Laws, Contractor hereby agrees that Company shall be entitled to deduct full amount of all the tax and penalty from any payment without prior notice to the Contractor.

6.1CONTRACTOR shall be solely responsible for and shall bear and pay, at its own expenses, all taxes, charges and custom duties connected with the SERVICES assessed or imposed on CONTRACTOR (including without limiting the taxes and duties connected with personnel and equipment) and shall fulfill all administrative, registration and compliance requirements, CONTRACTOR shall oblige that each Subcontractor shall bear and pay all taxes connected with the SERVICES assessed or imposed upon such Subcontractor (including without limiting the foregoing taxes connected with personnel) and that such Subcontractor shall fulfill all administrative and registration requirements, maintain proper accounting records, and properly file all necessary documents. Tax or Taxes Shall means any and all forms of taxes, levies, imposts, contributions, duties and charges in the nature of taxation, value added tax, goods and services tax and any other stamp, transaction or transfer taxes and all withholdings or deductions in respect thereof of whatever nature whenever imposed and whether directly or primarily chargeable against, recoverable from or attributable to CONTRACTOR or any other person, with respect to or arising

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from the performance of the SERVICES, including all fines, penalties, charges and interest relating to, and all amounts required by law to be paid pending resolution of disputes (including payments for tax reserve certificates) on account of, the same and any failure to lodge or prepare or an error or omission in relation to any document, statement or other information relating to Tax required to be lodged.

6.2CONTRACTOR hereby indemnifies and undertakes to keep COMPANY indemnified from and against all claims, losses, demands, proceedings and causes of action whatsoever connected with any assessment or imposition made in respect of all or any taxes upon CONTRACTOR or any Subcontractor related to the SERVICES together with any costs of compliance. If COMPANY is subject to any demand to pay other taxes arising out under this CONTRACT, CONTRACTOR either assume, pay and discharge in a timely manner all such other or additional taxes. COMPANY may offset any amounts due from CONTRACTOR under this indemnity from any payments COMPANY is due to make to CONTRACTOR under this CONTRACT.

6.3CONTRACTOR shall, upon request, supply, and shall procure that Subcontractors supply to COMPANY, such information (including documentary information) connected with the SERVICES as may be required by COMPANY for any of the following purposes:
(a)to enable COMPANY to comply with the lawful demand or requirement for such information by any tax authority;
(b)to enable COMPANY to conduct, defend, negotiate, or settle any claims, losses, demands, proceedings and causes of action whatsoever relating to taxes, whether or not the same shall have become the subject of arbitration or judicial proceedings; or
(c)to enable COMPANY to make any application (including, but without limitation, any claims, losses, demands, proceedings and causes of action whatsoever for any allowances or relief) or representation connected with, or to contest any assessment on, or liability of COMPANY to, any Taxes.

7 Warranty Period

Upon the final acceptance test, Contractor shall :

- Handover of all the technical documentation and design
  - The Contractor should provide the irrevocable and unconditional performance guarantee with value is 5% of contract value before signing up the contract; and the duration should be from the date signing the contract by both parties and 90 days plus the date all the work was finished and accepted .
  - The Contractor should provide the irrevocable and unconditional quality guarantee with the value is 5% of contract value and the period will be one year after final acceptance test
  - Contractor should warrant and imply that the items used hereunder are of the required quality and quantity are fit for use for particular purpose .

8 INSURANCE

- 8.1 Without limiting the CONTRACTOR's obligations, responsibilities and liabilities under the CONTRACT, the CONTRACTOR must, at its own expense, take and maintain in force, until all

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potential limitation periods have expired in relation to the CONTRACTOR's liabilities under the CONTRACT, and provide COMPANY with evidence of such insurance coverage on request:

- (a)Workmen's Compensation and/or Employer's Liability Insurance or similar statutory social insurance, as required by Laws and which may be applicable and/or accidental death or dismemberment insurance, covering all the CONTRACTOR's Personnel engaged in accomplishing the SERVICES, with limit not less than United States Dollar One hundred Thousands (USD 100,000) for every single occurrence;
- (b)Any other insurance which is relevant and/or which is required by any Laws to which the CONTRACTOR and its Subcontractors are subject to.
- 8.2 CONTRACTOR shall fully indemnify COMPANY against loss or damage arising out of any failure to effect or maintain such insurance(s) specified by this CONTRACT.
- 8.3ONTRACTOR shall notify COMPANY immediately upon receipt of any notice of claims, incidents or demands or of any situation, which may give rise to such claims, or demands being made under the said policies. Written notice shall be given not later than two (2) days after such occurrence of any accident. However, for serious accidents (including but not limited to death or serious injuries) notice shall be given within twenty-four (24) hours and confirmed in writing.
- 8.4CONTRACTOR shall provide COMPANY with certificates of insurance evidencing the insurance coverage that CONTRACTOR is required to provide under this CONTRACT. CONTRACTOR shall provide such certificates of insurance prior to the commencement of this CONTRACT and at any other time as COMPANY may require.

9 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.
- 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.

10 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

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11 SUBCONTRACTORS

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

12 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

13 Miscellaneous

- 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.

14 Contractor's Responsibility

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- ❖ 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.
- ❖ 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 the contract

15 Delay of the performance

The contractor should work according to the contract and the instruction from Company, 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 charge the contractor with conventional penalty of 1% of the contract value A DAY of Delay

16 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.

17 DISPUTES

Any dispute arising out of or in connection with this contract, including any question regarding its existence, validity or termination, shall be submitted to LCIA and 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 arbitral proceedings shall be English.

The governing law of the contract shall be the substantive law of Iraq.

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18 CHANGES

Any changes to this contract can only be made by written agreement of both partied to any expenditure for materials or services being performed.

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

19 OTHERS

The awarded contractor shall be responsible to acquire all relevant Governmental or Non-Governmental approvals and permits, The Company shall provide all necessary required documents and authorization as supporting document. The Contractor shall shorten the approving process period by his own obligation and shall meet The Company Production schedule accordingly.

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 to be wholly transferred to the EBS Project Company.

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

Signing of the contract

China Zhenhua Oil Co.,Ltd.

Name: Mr. Chen Pei

President

Signature: _____

Date: _____

Noor Baghdad Company

Name: Mr. Raed Kadhim Hasan Al-Shakarchi

Executive Manger

Signature: _____

Date: _____