

SERVICES

SPECIAL CONDITIONS

ZUBAIR PROJECT

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1 DEFINITIONS AND INTERPRETATION

With reference to Article 1 of the General Conditions, the PARTIES agree that the following additions/deletions are made:

- 1.1 **“AGGREGATE LIABILITY”** has the meaning specified in Article 6.
- 1.2 **“CALL OFF ORDER”** shall mean **“WORK ORDER”**
- 1.3 **“NEW TAXES”** means any TAXES that in accordance with the APPLICABLE LAW of the country of the AREA OF OPERATIONS, have become applicable, or have ceased to be applicable, (or the application of which has changed) to the performance of the CONTRACT after the EFFECTIVE DATE, (but specifically excluding TAXES enacted into law prior to the EFFECTIVE DATE, but applying only to periods thereafter) due to:
 - a) a change in such performance, such change having been agreed in writing between COMPANY and CONTRACTOR; or
 - b) any amendment or addition to the APPLICABLE LAW of the country of the AREA OF OPERATIONS .
however, NEW TAXES shall exclude any fines, penalties, interest, or any payment imposed as a result of CONTRACTOR's delay, omission, default or negligence in complying with APPLICABLE LAW.
- 1.4 **“WORK ORDER”** means a COMPANY's written request to provide the SERVICES, signed by COMPANY REPRESENTATIVE.
- 1.5 **“WORK TIME SCHEDULE”** has the meaning specified in the Appendix “D” – Scope of Work

2 SCOPE OF WORK

The Scope of the CONTRACT is the execution by CONTRACTOR of the SERVICE hereinafter described and as further detailed within Appendix “D” – Scope of Work:

Catering Services

On a non-exclusive basis and on the basis that no minimum work commitment is guaranteed hereinafter, the SERVICES to be performed may be requested from time to time by COMPANY REPRESENTATIVE with a WORK ORDER signed by the COMPANY, as defined in Article 5.

3 CONTRACT DURATION AND TERMINATION

- 3.1 With reference to Article 2 of the General Conditions, the EFFECTIVE DATE of the CONTRACT is as stated in the FORM OF AGREEMENT.
- 3.2 This CONTRACT shall become effective on the EFFECTIVE DATE of the CONTRACT, and shall remain in full force and effect for 36 months or until the CONTRACTOR has fulfilled all its obligations under the CONTRACT whichever is later.

- 3.3 CONTRACTOR shall commence performance of the SERVICE within one (1) month from the EFFECTIVE DATE ("COMMENCEMENT DATE")

4 KNOWLEDGE OF AREA OF OPERATIONS

With reference to Article 3 of the General Conditions, the PARTIES agree that the Area of Operations shall be the Zubair Field, Republic of Iraq as further described in the Appendix "D" – Scope of Work.

5 WORK ORDER PROCEDURE

- 5.1 The performance of any SERVICES under the CONTRACT will be requested in writing by COMPANY to CONTRACTOR with a WORK ORDER.
- 5.2 Said WORK ORDER shall contain all the information needed by CONTRACTOR to identify the nature of the SERVICES, as well as all reference documents and specifications for the performance of the SERVICES and shall state any HSE-R and Quality requirements to be met.
- 5.3 In particular, the WORK ORDER shall specify the dates of performance of the SERVICES (commencement, end and in-between activities), the dates of delivery of any deliverables and any "Order Number" given to the SERVICES.
- 5.4 On the basis of the WORK ORDER the PARTIES shall agree on the standards, specifications, schedules, due dates and instructions which shall be met while performing the SERVICES and, in particular, for each individual SERVICES, the PARTIES shall previously agree on the following data:
- 5.4.1 For "lump-sum" SERVICES:
- a) the amount of hours required to complete the performance of the SERVICES, divided according to the qualification of the employees to be used;
 - b) number and type of volumes for full editing supply;
 - c) the commencement date and the terms of delivery of the deliverables;
 - d) the standards, specifications, Appendices and instructions to be complied with for the performance of the SERVICES;
 - e) the language in which the deliverables shall be written;
 - f) the title and label to be applied to the deliverables;
 - g) any other issues required for a full preparation of the requirements.
- 5.4.2 For "at cost" SERVICES: the maximum amount of hours required to complete the performance of the SERVICES divided by qualification of the employees to be used and all other data provided for in paragraph .5.4.1, b) - c) - d) - e) - f) of this Article.
- 5.5 All Appendices with related updates and amendments, as agreed with COMPANY will form an integral part of the CONTRACT.

- 5.6 The WORK ORDER is the only document which formally authorizes CONTRACTOR to perform any one of the SERVICES.
- 5.7 If the WORK ORDER authorized by COMPANY, the same WORK ORDER shall in any case bear the authorization stamp of a duly authorized representative of COMPANY.
- 5.8 The SERVICES which makes up the subject-matter of each WORK ORDER shall be deemed connected and interdependent and COMPANY is entitled to change the performance schedules of the SERVICES as a result of any external factors which, by affecting some types of said SERVICES, will make it necessary to change the schedules, in particular with regard to times.

6 LIMITATION ON LIABILITY

- 6.1 CONTRACTOR's maximum liability pursuant to this CONTRACT ("AGGREGATE LIABILITY") whether arising from tort, breach of contract or any other cause of action shall be a hundred percent (100%) of the CONTRACT PRICE.
- 6.2 Notwithstanding Article 6.1, none of the following shall be considered in determining whether CONTRACTOR's AGGREGATE LIABILITY has been reached:
- a) correction or re-performance of any SERVICE free of charge to COMPANY and/or at CONTRACTOR's expense in accordance with Article 6 or 27 of the General Conditions where required by APPLICABLE LAW or otherwise by this CONTRACT;
 - b) any liquidated damages paid or payable by CONTRACTOR under this CONTRACT;
 - c) CONTRACTOR's indemnification obligations under Articles 9, 14 and 19 of the General Conditions;
 - d) Costs reimbursed to COMPANY where COMPANY has performed the SERVICE on behalf of CONTRACTOR, or arranged for another person or legal entity to perform such SERVICE on behalf of CONTRACTOR, as a consequence of failure by CONTRACTOR to perform the SERVICE required according to the terms of this CONTRACT;
 - e) Liabilities with respect to loss or damage arising out of or connected with CONTRACTOR's fraud, GROSS NEGLIGENCE, WILFUL MISCONDUCT or non-compliance with APPLICABLE LAW;
 - f) Liabilities with respect to any risks which CONTRACTOR is obliged by this CONTRACT to cover by insurance required under this CONTRACT;
 - g) CONTRACTOR's own costs and overheads in connection with the SERVICE; or

- h) Costs incurred by CONTRACTOR as a result of a dispute under this CONTRACT, including those in relation to legal, expert and other consultancy fees and arbitration expenses.

6.3 For the purpose of clarity, Article 6.1 shall act solely as a limit on CONTRACTOR's liability to COMPANY under this CONTRACT and not as an indemnity or guarantee of reimbursement by COMPANY to CONTRACTOR of any kind or nature.

7 INSURANCE

7.1 With reference to Article 10 of the General Conditions, the PARTIES agree that:

- a) Employers liability insurance and, where required by APPLICABLE LAW, workmen's compensation insurance covering personal injury to, or death of, employees of the CONTRACTOR engaged in the performance of the CONTRACT to be collectively maintained at a minimum value of United States Dollars Ten Million (US\$10,000,000.00) or such amount as required by APPLICABLE LAW, whichever is the greater including extended cover (where required);
- b) General Third Party Liability Insurance for any incident or series of incidents covering the operations of the CONTRACTOR under this CONTRACT in an amount that is not less than United States Dollars Fifteen Million (US\$15,000,000.00) for any one occurrence;
- c) Third Party and Passenger Liability insurance and other motor insurance in an amount that is not less than United States Dollars Five Million (US\$5,000,000.00) or such amount as is required by APPLICABLE LAW, whichever is the greater, for any one occurrence;
- d) Protection and Indemnity Insurance including wreck and debris removal and oil pollution removal in respect of all vessels, craft or floating equipment owned, leased, or hired by the CONTRACTOR GROUP, if any, in the performance of the SERVICES in an amounts that is not less than United States Dollars Two Hundred and Fifty Million (US\$250,000,000.00) for any one occurrence;
- e) Aircraft liability insurance if the CONTRACTOR GROUP supplies or uses aircraft, covering all contemplated uses of such aircraft in connection with the performance of the CONTRACT in an amount that is not less than United States Dollars Fifty Million (US\$50,000,000.00) for any one occurrence.

8 SUBCONTRACTING (mandatory)

With reference to Article 17 of the General Conditions, the PARTIES agree that the list of approved SUBCONTRACTORS is as follows:

1.

2.

9 GUARANTEES

With reference to Article 26 of the General Conditions, the PARTIES agree that:

9.1 Bank Guarantee.

CONTRACTOR shall obtain and deliver to COMPANY within fifteen (15) days of the EFFECTIVE DATE a bank guarantee in the form attached to the CONTRACT (the "BANK GUARANTEE") and in the amount of USD 2,000,000 (two million US Dollars only) of the CONTRACT PRICE. The BANK GUARANTEE shall remain in full force and effect and be held by COMPANY for further 40 months or until all outstanding financial matters have been settled, whichever is the latest.

9.2 Parent Company Guarantee.

CONTRACTOR shall obtain and deliver to COMPANY within fifteen (15) days of the EFFECTIVE DATE a parent company guarantee in the form attached to the CONTRACT (the "ULTIMATE PARENT COMPANY GUARANTEE"). The ULTIMATE PARENT COMPANY GUARANTEE shall remain in full force and effect and be held by COMPANY until(date) or until all outstanding financial matters have been settled, whichever is the latest.

10 QUALITY ASSURANCE

CONTRACTOR shall submit to COMPANY for approval, within 7 (seven) days of the EFFECTIVE DATE, a detailed quality assurance system, an organisation securing the various related functions and a programme covering the various phases of the SERVICE that complies with the requirements more fully detailed in the applicable Schedule.

Within 5 (five) days of receipt of the detailed quality assurance system, organisation and programme, COMPANY REPRESENTATIVE shall either approve the same or notify CONTRACTOR of changes required to obtain approval. In the latter event, CONTRACTOR shall promptly modify and re-submit the detailed system, organisation and programme with the modifications requested by COMPANY.

11 INVOICING

- 11.1 In consideration for the satisfactory performance of this CONTRACT in accordance with its terms, COMPANY shall pay CONTRACTOR the sums set out in, and in accordance with, this CONTRACT.
- 11.2 Within forty five (45) days after the completion of each milestone event detailed in the applicable Schedule, CONTRACTOR may send to COMPANY REPRESENTATIVE an invoice in respect of the relevant milestone for the SERVICE performed.
- 11.3 One original shall be submitted in the form requested by COMPANY accompanied by such certification and documentation as COMPANY may request.
- 11.4 Each invoice shall include the following information:
 - Contract reference Number
 - Call Off Order Number (where applicable)
 - Goods or Service Receipt Note
 - Invoice Date
 - Invoice number / reference
 - TIN payTax number

- Invoice currency
- Bank Details
- Contractor/Supplier Details
- Description of the billable services, work, goods, items as per CONTRACT
- Billable Quantities
- Units Rates, Discounts (if any), Total Price
- Any additional information that may be needed to issue the invoice (e.g. approved time sheets for services charged on daily-hourly rate, supporting documents for reimbursable contracts, contact details in case of COMPANY need to get in touch with suppliers)

One copy of the invoice shall be translated into the Arabic language

All invoices submitted by CONTRACTOR to COMPANY shall be accompanied by such documents, records, lien waivers, receipts, approved time sheets or other evidence as COMPANY may request to support charges contained therein and CONTRACTOR shall ensure that all such documents, records, lien waivers, receipts, approved time sheets or other evidence shall truly reflect the facts about the activities, milestones and transactions to which they pertain and that COMPANY may rely upon these as being complete and accurate.

11.5

12 LIQUIDATED DAMAGES

The PARTIES agree:

Each time one or more of the following situations occur(s), for reasons attributable to CONTRACTOR's default:

- 12.1 CONTRACTOR fails to commence the SERVICE within the COMMENCEMENT DATE provided in Article 3 CONTRACT DURATION AND TERMINATION or,
- 12.2 CONTRACTOR fails to commence the SERVICE within the term agreed in writing on each WORK ORDER between the PARTIES or,
- 12.3 CONTRACTOR fails to deliver the GOODS within the term agreed in writing between the PARTIES.

COMPANY, at its sole discretion, shall have the right either to terminate the CONTRACT, pursuant to paragraph 5.1.a), or to be reimbursed by CONTRACTOR of the amount specified in Clause 6.4 as liquidated damages. Damages due to COMPANY shall be paid by CONTRACTOR to COMPANY upon its first demand and may be deducted from any monies due or which may become due to CONTRACTOR under the CONTRACT.

The above mentioned amount shall be paid and/or deducted by way of liquidated damages for delay and not as a penalty and represents a genuine, reasonable and fair pre-estimate of the total damages which would be suffered by COMPANY in the event CONTRACTOR incurs in one or more of the situations stated in clauses 6.1, 6.2, and 6.3. Thus, no further compensation may be claimed by COMPANY.

12.4 Liquidated Damages for late delivery

- a) If CONTRACTOR fails to comply with the work time schedule or any extension thereof specified in each WORK ORDER, CONTRACTOR shall pay to COMPANY as liquidated damages and not as a penalty for such failure to complete the portion of SERVICES the amount of 1% (one percent) of the total WORK ORDER value per day of delay, up to a maximum of 15% (fifteen percent), correspondent to 15 (fifteen) days of delay.

The dates of completion for each milestone are set out in the applicable Appendix and can be extended changed only when agreed by both PARTIES, or in case of FORCE MAJEURE.

12.4.1 In any case COMPANY may:

- terminate the CONTRACT pursuant to Article 2 of the General Conditions and engage the services of one or more THIRD PARTY to complete the execution of the supply;
- agree with CONTRACTOR on a reduction in the CONTRACT PRICE to offset the effects of any damage resulting from a delay in completion of the SERVICES.

12.4.2 The times for completion of the SERVICES may be changed only for reasons expressly specified in the CONTRACT and in any event for the following reasons:

- event of FORCE MAJEURE, provided that notice of any cause of the event of FORCE MAJEURE shall be given to COMPANY as stated in Article 20 of the General Conditions.
- any extension(s) due to causes directly attributable to COMPANY, if authorized by COMPANY in writing;
- any extension (s) authorized by COMPANY in writing.

In all the cases specified in this Article 12.4.2, no liquidated damages shall apply

12.5 COMPANY may, without prejudice to any other method of recovery, deduct the amount of any liquidated damages from any monies due, or which become due, to the CONTRACTOR.

13 SURVIVORSHIP

Unless otherwise specifically stated elsewhere in the CONTRACT, those provisions of this CONTRACT which by their nature extend beyond completion of the SERVICE include but shall not be limited to, the provisions of Articles:

- Compliance with Law, Permits and Authorizations
- Defects Liability
- Liabilities and Indemnities
- Liquidated Damages
- Guarantees
- Survivorship
- Taxes
- Insurance
- Audit
- Confidentiality
- Dispute Resolution
- Governing Law

They shall survive any expiration, cancellation or termination of this CONTRACT, or completion of the SERVICE.

14 PERMITTING

CONTRACTOR shall prepare all documentation required by the national and local legislation and State Authorities in order to obtain all permits, certificates, authorizations and approvals necessary for the provision of the SERVICE such permits, certificates, authorization and approval applied for by either CONTRACTOR or COMPANY.

Moreover CONTRACTOR shall prepare any further documentation required by the Authorities after submission of the permit applications.

All documentation shall comply with the Iraq legislation and State Authorities.

CONTRACTOR shall be responsible to obtain the permits, certificates, authorizations and approvals in compliance with the Iraq legislation and State.

15 SECURITY

With reference to Article 6.2 z) of the General Conditions, this article should be read in conjunction with Appendix "S" - Security. In case of any conflict, discrepancy, inconsistency or ambiguity between the two, the requirements and responsibilities defined in Appendix "S" - Security shall take precedence.

16 NEW TAXES

With reference to Article 20 of the General Conditions, PARTIES agree that:

If at any time after the EFFECTIVE DATE there is a change in the laws of Iraq, whether through amendment of existing laws or regulations or enactment of new laws or regulations, which has a material effect on CONTRACT PRICE, each PARTY shall be entitled to request a variation to CONTRACT PRICE upon providing the other PARTY with evidence demonstrating such material effect and provided that:

- (i) a PARTY shall have no such entitlement where a law has been approved, ratified or otherwise passed before the EFFECTIVE DATE but would be applicable after the EFFECTIVE DATE;
- (ii) a PARTY shall have no such entitlement where it knew or ought to have known on the EFFECTIVE DATE that a change in the laws of Iraq was expected to take place the calculable impact of which is foreseeable and would have a material effect on the CONTRACT PRICE;
- (iii) CONTRACTOR shall be required to demonstrate that it has taken and is taking all practical steps to minimise the impact of such change and
- (iv) failure by CONTRACTOR to take such practical steps shall deprive CONTRACTOR of its right to request a variation to the CONTRACT PRICE.

- (v) The other PARTY's approval of such variation to the CONTRACT PRICE shall not be unreasonably withheld provided that the PARTY requesting variation complies with the requirements of this Article.

This Article 16 applies if the material effect on contract prices is more than 10%.