

Institutional Cooperation Contract
between
The Norwegian Ministry of Petroleum and Energy (MPE)
and
The Ministry of Oil of Iraq (MoO)

regarding

***Development cooperation concerning Strengthening the Management of the
Oil and Gas Sector in Iraq regarding Resource- Health- Safety- and
Environmental Management***

WHEREAS the Ministry of Oil of Iraq (MoO) requested support from Norway in a letter dated 6th September 2004;

WHEREAS the Norwegian Ministry of Petroleum and Energy (MPE) has agreed to cooperate with MoO within the petroleum sector in a letter to MoO dated 21st September 2004;

WHEREAS the Norwegian Petroleum Directorate (NPD), (a regulatory body subordinate to MPE) and the MoO have entered into a Memorandum of Understanding dated 26th May 2005 regarding Institutional and Technical Assistance;

WHEREAS the NPD and the MoO 1st September 2005 have entered into a Contract regarding Institutional and Technical Assistance;

WHEREAS MPE may decide to delegate, wholly or partly, its responsibilities and obligations under this Contract to the NPD;

WHEREAS the Government of the Republic of Iraq (Iraq) in its letter dated 18th March 2008 has requested Norway for continued support to strengthen the management of the Oil and Gas sector in Iraq;

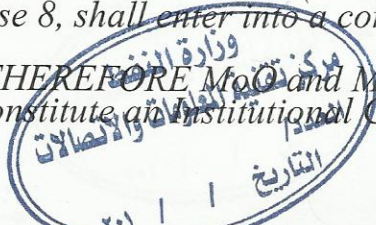
WHEREAS the Norwegian Ministry of Foreign Affairs (MFA) and the Iraqi Ministry of Foreign Affairs have entered into a Memorandum of Understanding (MoU) dated 7th June 2010;

WHEREAS the Iraqi MoO has been nominated to represent Iraq in the Implementation of the development cooperation concerning Strengthening of the Management of the Oil and Gas Sector in Iraq regarding Resource- Health-, Safety- and Environment Management;

WHEREAS an Agreement for such support was signed in Baghdad between the Norwegian Agency for Development Cooperation (Norad) and Iraq the 28th September 2011 (the Programme Agreement);

WHEREAS MoO and MPE (the Parties), as stated in the Programme Agreement Article IV clause 8, shall enter into a contract regarding institutional cooperation;

NOW THEREFORE MoO and MPE have reached the following understanding which shall constitute an Institutional Cooperation Contract between the Parties:



OM

Article I Scope and objectives

This Institutional Cooperation Contract (hereinafter the Contract) sets forth the terms and conditions of the Parties' institutional cooperation within the Programme, which pursues the following Goal and Purpose:

Goal; The Goal of the Programme is to contribute to Iraq's oil and gas resources being developed for wealth creation in a sustainable manner (economically, socially and environmentally) in order to meet the needs of present and future generations in Iraq.

Purpose; The purpose of the Programme is to increase the capacity, efficiency and transparency of institutional arrangements to facilitate well- coordinated and result oriented resource management, environmental management, revenue management and Health, Safety and Environment (HSE) management in the petroleum sector in Iraq.

The Parties shall cooperate to implement tasks relevant to the topics outlined in Annex I.

Other tasks/activities may be agreed upon by the Parties as a result of decisions taken by the parties to the Programme Agreement.

The cooperation between the Parties is a result of the Grant under the Programme Agreement. This Contract shall be interpreted and implemented in conformity with the Programme Agreement.

Article II Programme Management – consultations

MoO is responsible for the planning, administration and implementation of the tasks referred to in Article I, including adherence to budgets and decisions of the parties to the Programme Agreement. MPE shall provide all necessary assistance to MoO in the planning, administration and implementation of the tasks referred to in Article 1. MPE shall cooperate closely with the Norwegian Ministry of Environment (MoE) and ensure coordinated participation of all relevant Norwegian institutions.

MoO and MPE shall meet once a year prior to meetings stipulated in Article VI in the Programme Agreement to finalize draft annual progress reports, work plans and budgets.

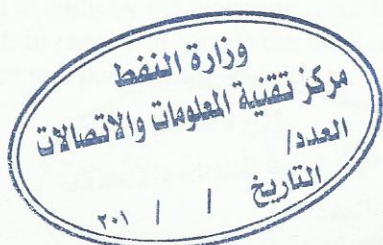
Each of the Parties may include others to participate as observers or as advisors to their delegations. The meetings shall be called and chaired by MoO, who shall also be responsible for drafting Agreed Minutes from the meetings within two weeks after the meeting.

The program is financed by the Grant provided in the Programme Agreement. The financial obligations of Norad and Iraq are specified in article III and IV in the Programme Agreement.

Article III Obligations and Responsibilities of the Parties

MoO and MPE shall make available sufficient and qualified personnel, who shall carry out their work with the highest professional standards. If any problem arises or is expected to arise, the Party concerned shall immediately notify the other Party thereof in writing. If it becomes necessary to replace a person, the Party concerned shall replace him with a comparably experienced person. The Party requesting replacement shall be responsible for the financial consequences thereof, except in cases when personnel are replaced for reasons of misconduct, incapability to perform or violation of instructions and local laws and regulations, in which the Party concerned shall be responsible.

While carrying out the assignment, the personnel and representatives engaged by either of the Parties shall comply with the laws of the respective countries. The respective Party shall take prompt corrective action with regard to any violation by such personnel or representative.



OSH

MoO shall:

- Provide MPE with access to all relevant reports and data required to undertake agreed tasks and activities, subject to relevant confidentiality undertakings and shall, as appropriate, translate data and information into English;
- Assist MPE with visa and other permissions necessary for their stay in Iraq.

MPE shall:

- Cooperate fully with MoO to ensure that the tasks referred to in Article I above are successfully accomplished;
- Assist the personnel of MoO in obtaining accommodation facilities when visiting Norway, including visa and other permissions necessary for their stay in Norway.

Each Party may delegate wholly or partly their responsibilities and obligations under this Contract to their respective subordinate institutions. The other Party shall be informed of such delegations with no undue delay.

Article IV Procurement

The procurements by MoO financed by the Iraqi grants to the Programme shall be performed in accordance with generally accepted procurement principles, good procurement practices and Iraqi public procurement law. MPE will carry out procurement of goods and services, financed by the Norwegian grant, on behalf of MoO. In such case, the procurement shall be carried out in accordance with Norwegian public procurement law, and the Norwegian institutional frame agreements managed by the NPD may be used. A Terms of Reference for any goods and services thus procured shall be prepared in cooperation and agreement with MoO and MPE. Contracts and major commitments shall be based on the approved annual work plans.

MoO and MPE or their representatives shall observe the highest ethical standards during the procurement and execution of contracts. Invitations to make offers as well as the procurement contracts shall, respectively, include a clause stating that the offer will be rejected and/or the contract cancelled in case any illegal or corrupt practices have taken place in connection with the award or the execution of the contract.

Article V Reporting

The Parties shall keep each other informed about all matters of importance relevant to the cooperation covered by this Contract.

MPE shall upon request from MoO provide input to the reports mentioned in the Programme Agreement article VII.

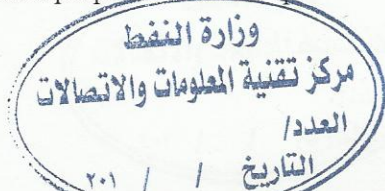
Article VI Remuneration / reimbursement to MPE

Services by personnel of MPE or NPD carried out in Norway or abroad for less than 6 consecutive months (short term personnel), will be remunerated on the basis of the hourly rates specified in MPE's/NPD's Framework Agreements with Norad. The rates are flat and will not be raised in case of work overtime, but are adjusted annually by Norad. For subcontractors having a Frame Agreement with MPE/NPD, the rates of the Frame Agreements shall normally be used.

Other expenses up to the limits set forth in the budget in Annex I of the Programme Agreement or which are included in budgets approved by the parties to the Programme Agreement shall be reimbursed at cost.

Article VII Invoicing

The time sheets and the original documentation will remain at MPE or NPD, respectively, and will be subject to audit by the Norwegian Auditor General. Copies may, however, be submitted to MoO on request. In respect of travels the invoices shall, in addition to the total costs, provide names of persons, duration and purpose for each trip.



قراي

OSM

MPE shall submit invoices semi-annually to MoO for approval. The invoices shall be certified by the person responsible for the Programme in MoO, and shall state that the invoiced expenses are in accordance with the Contract.

MoO shall, within 14 days of receipt, forward an electronic copy of the approved invoice to Norad for payment. Norad shall effect disbursement directly to a bank account designated by MPE within 14 days of receipt of the approval from MoO.

If any item or part of an invoice rendered by MPE is disputed or subject to question by MoO, the approval by MoO of the remainder of the invoice shall not be withheld on these grounds.

Article VIII Sub-contracts

Any sub-contracts to be entered into by MPE shall be made with duly qualified entities and MPE shall retain full responsibility for all services it is committed to render under the Contract.

All sub-contracts whose value exceeds NOK 500,000 shall be submitted to Norad for information.

Article IX Liability

MoO shall not be liable, financially or in other ways, to companies or individuals engaged by MPE or its sub-contractors. MPE shall not be liable, financially or in other ways, for consequences of decisions made by Iraq.

Norad shall have the right to seek direct recourse against MPE in accordance with the Programme Agreement. Further, Norad shall have the right to reclaim all or parts of the Grant directly from MPE if Programme funds are found not to have been used in accordance with the Programme Agreement and this Contract or are found not to be accounted for in a satisfactory manner.

Article X Confidentiality and copyright

Any technical data, technical or commercial information disclosed directly or indirectly to MPE and/or its Representatives as part of the Programme shall not, without the written consent of MoO, be disclosed to any entity or person, regardless of how such information is acquired, and regardless of whether such information is identified as confidential.

The copyright to all documents, etc. prepared by MPE under the Contract stays with MoO. However, MPE and Norad shall have the right to use any documents free of any charges.

Article XI Corruption

Either Party has the right to cancel this Contract or part of this Contract with immediate effect if they determine that corrupt or fraudulent practices were engaged in by representatives of the other Party during procurement or execution of the contract or part of it without timely and appropriate remedial action being taken by the latter Party.

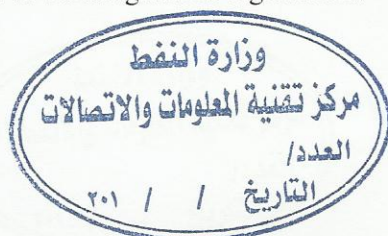
Article XII Entry into Force – Duration – Amendments

This Contract shall enter into force when signed by both Parties and approved in writing by Norad. The Contract shall remain in force as long as the Programme Agreement remains in force, or as long as agreed by the Parties.

Any amendments to this Contract shall be in writing and be signed by the Parties. Such amendments shall become effective when approved by Norad.

Article XIII Termination

Each Party may terminate this Contract by giving one month written notice to the other Party and a copy to the parties to the Programme Agreement.



٢٤
ح.س.

OSH

