



**Соглашение на услуги по проектированию и
управлению проектом**

**Agreement for the Engineering and Project Management
Services**

(на английском языке)

miripravo.ru/g5-a1



Резюме, Операционные соглашения, Энергетические соглашения,
Международные контракты a-Z

This Agreement is by and between

_____, a Company organized pursuant to the laws of _____ having an office at _____, hereinafter called Company, and

_____, a Company organized pursuant to the laws of _____ having an office at _____, hereinafter called Contractor.

Company and Contractor, in consideration of the mutual covenants hereinafter set forth, hereby agree as follows:

ARTICLE 1 - DEFINITIONS

Standard terms used throughout this Agreement shall have the meanings hereby assigned to them:

(a) The term "Agreement" means these Articles of Agreement and all Exhibits, Attachments, Appendices included herewith.

(b) The term "Currency" means _____, which is that currency in which payments to Contractor shall be made, other than payment of those amounts stated in Article 8 to be paid in another currency.

(c) The term "Dispute" means any dispute, controversy or claim arising, out of, in relation to, or in connection with this Agreement or the operation/activities carried out under this Agreement, including without limitation any dispute as to the existence, construction, validity, interpretation, enforceability or breach of this Agreement.

(d) The term "Facilities" means the product of all work performed by construction Contractors, vendors, and others in connection with the _____ Project and, in addition, all existing assets assigned to Company in connection with the _____ Project, all as more fully set forth in the incorporated documents.

(e) The term "Indemnitees" means Company and its shareholders and its and their agents and employees.

(f) The term "Key Personnel" means those Contractor personnel listed by name in Exhibit 3 hereto.

(g) The term "Personnel Authorization Questionnaire" means that form which states all relevant information about any person that Contractor proposes to assign to performance of the Work and the approval of which by Company is a condition precedent to any Contractor- provided person being cost reimbursable under this Agreement.

(f) The term "Proprietary Information" is defined in Article 15.1 hereof.

(h) The term "Project" means the _____ Project, which consists of:

Signed for and on behalf of
 (Подписано от имени и по поручению)

_____, (Managing Director)

Signing Date (Дата подписания) _____ 20__

(commercial stamp / печать компании)

Signed for and on behalf of
 (Подписано от имени и по поручению)

_____, (Director General)

Signing Date (Дата подписания) _____ 20__

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(h) The term "Project Sponsor" means the senior management representatives of Company and Contractor who will represent the interests of their companies and will assist Company and Contractor Project Managers to resolve differences in the overall interest of the Work.

(i) The term "Salaries" means those monthly and weekly wages actually paid to persons performing the Work and either (i) subject to income tax or (ii) not subject to income tax pursuant to specific government laws, rules, or regulations (for example, Section 401K or Section 125 of the United States Internal Revenue Code).

(j) The term "Work" means all work to be performed by Contractor under this Agreement.

ARTICLE 2 - THE WORK

2.1 The Work shall consist of provision of project management support, front-end engineering, certain detailed engineering, procurement of certain most important or long-lead materials, and permit support services for the Project. Additional details of the Work are provided in Exhibit 8 hereto; however, Exhibit 8 shall not reduce or restrict the scope of the Work set forth above.

2.2 Contractor shall provide or arrange to have provided all services, personnel, equipment and materials needed to perform the Work except as may be specifically stated otherwise elsewhere in this Agreement.

2.3 The following are incorporated as part of this Agreement:

2.3.1 Exhibits 1 through 8, attached hereto.

Exhibit 7 may be modified in writing promptly upon award of this Agreement to incorporate Contractor practices and procedures to the extent Company, in its sole discretion, agrees so to do.

2.4 In the event of any conflict between the text of the Articles of this Agreement and its incorporated documents, the text of the Articles shall govern. In case of any other conflict or inconsistency among any of the incorporated documents, the conflict shall be resolved by Company in writing. Anything mentioned in Company's specifications and not shown on Company's drawings or shown on the drawings and not mentioned in the specifications shall be of like effect as if shown or mentioned in both.

2.5 All references to this Agreement shall be deemed to include all documents incorporated herein, unless such reference specifically provides otherwise.

ARTICLE 3 - RESPONSIBILITIES OF COMPANY

3.1 Company shall:

3.1.1 provide, or assist Contractor in providing, such technical and process data and design bases as may be necessary for Contractor to perform the Work;

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_____, (Managing Director)

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_____, (Director General)

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3.1.2 specify which equipment and materials for incorporation into the Facilities Contractor shall assist Company to purchase;

3.1.3 provide an authorized representative to act on behalf of Company;

3.1.4 assign an executive level Project Sponsor to monitor performance of the Work and to discuss same with Contractor's Project Sponsor, but without liability to discover any non-conforming Work, and without releasing Contractor for non-conforming Work, as herein provided.

ARTICLE 4 - REPRESENTATIONS AND RESPONSIBILITIES OF CONTRACTOR DURING THE PERFORMANCE OF THE WORK

4.1 Contractor represents, warrants and agrees that:

4.1.1 it has the required skills, capacity, personnel, and equipment to perform, and shall perform, the Work in a professional manner utilizing state of the art, sound engineering and procurement principles, project management procedures and supervisory procedures and in accordance with accepted practices in the petroleum pipeline industry; and that its employees and other personnel are trained, skilled practitioners at performing the Work and will perform the Work with diligence according to highest professional standards applicable to the performance of this Agreement.

4.1.2 it shall prosecute the Work on continuous basis and diligently competent personnel, including, if required, licensed personnel, and complete the Work in accordance with the provisions of this Agreement;

4.1.3 it is qualified and has all requisite authority to perform the Work for Company in both _____ and _____, including, but not limited to having all necessary licenses for performance of the Work;

4.1.4 it has knowledge of all of the legal requirements which must be complied with in performing the Work and shall perform the Work in compliance with all applicable governmental and other competent authorities' laws, regulations and orders presently in effect and becoming effective during the performance of the Work, including, but not limited to those related to commerce, taxation, environment, labor, etc. Contractor shall be responsible for paying all fines and penalties that may result from noncompliance with such requirements, laws, regulations and orders and shall indemnify Company and its Shareholders against any and all liabilities, damages, claims, fines, penalties and expense of whatever nature resulting from said noncompliance;

4.1.5 it is an independent Contractor and nothing contained herein shall be construed as constituting any other relationship with Company, nor shall it be construed as creating any relationship whatsoever between Company and Contractor's employees; Contractor has sole authority and responsibility to employ, discharge and otherwise control its employees, and neither Contractor, nor any of its employees, are or shall be deemed to be employees of Company; Contractor shall comply with all laws, rules, regulations and ordinances applicable to it as such employer; Contractor shall accept complete responsibility as a principal for its agents and Subcontractors; and Contractor shall have control over the manner and methods of performing the

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Work which shall be done in a good, safe and workmanlike manner, in accordance with professional techniques and Company-approved technical assumptions;

4.1.6 it shall replace any of its personnel performing the Work the performance of whom in Company's opinion is unsatisfactory in any way. Company will not without sufficient reasons request Contractor to replace personnel;

4.1.7 it shall use effective quality assurance programs, approved by Company, in performing | the Work that comply with all necessary technical codes and practices applicable to the type of Facilities and as otherwise required by Company. Company shall, at all times, have the right of review and approval of such quality assurance programs; |

4.1.8 it shall provide all materials, equipment and personnel required for timely completion of the Work, except for those required to be furnished by Company;

4.1.9 it shall assign an executive level Project Sponsor to monitor performance of the Work and to discuss same with Company's Project Sponsor;

4.1.10 it shall support Company as needed to obtain governmental approvals and permits for the Work and for the construction and operation of the Facilities, including providing any required defense of Contractor's designs;

4.1.11 it shall support Company's efforts as needed to obtain governmental approvals and permits for the right of way, including providing any required defense of Contractor's designs;

4.1.12 it is duly organized, validly existing and obeying in good standing under the laws of the jurisdiction of its organization and has full corporate power required to execute, deliver and perform this Agreement;

4.1.13 its execution, delivery and performance of this Agreement have been and remain duly authorized by all necessary management action and are not prohibited by any provision of the Contractor's certificate of incorporation, charter, by-laws or other certification as amended to date, or any material law, regulation, rule, decree, order, judgment or contractual restriction binding on Contractor;

4.1.14 the Agreement constitutes a legal, valid and binding obligation of Contractor enforceable against Contractor in accordance with its terms;

4.1.15 there is no pending or threatened litigation which would interfere with Contractor entering into the Agreement or completing the Work. 4.2 Contractor shall strictly comply with all of Company's operating and safety rules while on Company premises. Contractor shall immediately forward to Company a copy of each accident report involving injuries which is filed with Contractor's insurance Company or representative thereof. When Company directs that the Work shall be performed on Company's premises, Company shall provide a suitable place for Contractor to carry out the Work. The place shall be available to Contractor during Company's normal working hours and shall be similar to that provided for Company's own employees performing similar services. While on Company premises, Contractor shall confirm that such premises are safe to carry out the Work before proceeding. When Company directs that the Work shall be performed on premises other than Company's, Contractor shall determine that such premises are

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safe to carry out the Work before proceeding.

4.3 Contractor shall make the Key Personnel listed in Exhibit 3, Contractor's Personnel, available full time for performance of the Work from its commencement until its completion. Contractor will not remove Key Personnel from the Work without Company's prior written authorization.

4.4 Contractor shall prepare and maintain current an organization chart showing all positions required for efficient and timely performance of the Work. Contractor shall obtain Company's approval of the organization chart prior to requesting Company approval of specific personnel to fill positions and shall remove personnel from die Work when positions are eliminated.

4.5 Contractor shall, where necessary, ensure that personnel fluent in the English and Russian languages are continuously available where die Work is being performed to receive instructions and other communications from Company.

4.6 Contractor shall be solely responsible for fulfillment providing -all of the requirements of its personnel including issues: (a) of salaries, wages, insurance (including Worker's Compensation Insurance), termination payments, rest leave and benefits under applicable law and collective labor contracts; (b) medical attention; (c) fulfillment of immigration requirements, including passports, visas, medical examinations, personal customs duties and personnel work permits; (d) food, lodging and transportation; and (e) life saving and personal protective gear.

4.7 Contractor agrees that all of its representations, warranties and guarantees contained in this Agreement are and shall be material afterwards and shall remain in force and effect after termination of this Agreement.

ARTICLE 5- TIME OF COMPLETION OF WORK

5.1 Contractor shall at all times execute the Work in the first place. It means the highest priority, that Contractor shall not change priority of any other work with prejudice to the priority accorded to the Work Contractor shall proceed with the performance of the Work in accordance with the Project Schedule shown in Exhibit 4 and as instructed by Company.

5.2 Contractor shall commence the Work promptly on issuance by Company of notice to proceed and shall diligently prosecute the Work until it is complete, unless terminated earlier pursuant to the provisions of this Agreement (Article 17).

ARTICLE 6-TITLE

6.1 All drawings, documents, engineering, computer disks and/or tapes, field survey data, site visit reports, field notes, calculations, reports of field representatives, electronic data and other data prepared | or furnished by Contractor in performing the Work shall become the property of Company at the time of preparation and may be used by Company for any purpose whatsoever.

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(Подписано от имени и по поручению)

_____, (Managing Director)

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_____, (Director General)

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ARTICLE 7 - COST OF THE WORK

7.1 Company shall pay to Contractor as full compensation for the Work and for the performance of all of Contractor's obligations under this Agreement the total of die amounts stated in Sections 7.1.1 and 7.1.2, subject to the terms and conditions of this Agreement. The total amounts provided herein are without taking into account of Value Added Tax (VAT). |

7.1.1 A Fee, computed as %pl —percent of the amounts payable pursuant to items 1.2,1.3, and 1.12 of Exhibit 1 in consideration of all cost items designated in Exhibit 1 as "Non-Reimbursable Costs or Fee". The basis of calculation of such Fee shall not be adjusted for any reason.

7.1.2 Reimbursement of those costs, expenses and charges, hereinafter called Reimbursable Costs, incurred in the performance of the Work that are designated in Exhibit 1 as "Reimbursable Costs" plus any additional costs, expenses and charges not so designated which Company may authorize for reimbursement in writing beforehand. |

7.2 Reimbursable Costs are subject to the following conditions:

7.2.1 Contractor shall charge the Salaries of its reimbursable personnel only for those hours during which such personnel are actually performing the Work and for which Contractor recompenses such personnel. Only those personnel will be considered reimbursable whose classifications are listed as being reimbursable and whose salary rates for such classifications are as set forth in Exhibit 2.

7.2.2 Only personnel with a Company-approved Personnel Authorization Form (Exhibit 3) will be reimbursable personnel. Contractor may assign its personnel who are classified in one

- category to perform the Work of a different category. However, in such cases, Contractor shall be reimbursed for such personnel only in accordance with the lower salary rate of the two categories unless Contractor obtains prior written approval of Company on die Personnel Authorization Form;

7.2.3 Contractor may supplement its own personnel in the performance of the Work by using personnel hired under separate labor agreements. However, Contractor shall | obtain Company's prior written approval as to number and classifications of any such personnel to be used;

7.2.4 Contractor shall charge the Salaries of its reimbursable personnel for travel time in connection with the Work only to the extent provided for in Contractor's travel policy, included in Exhibit 2;

7.2.5 Contractor shall not schedule overtime work for its reimbursable personnel without first obtaining Company's written approval. Only when overtime work is approved by Company and personnel actually receive additional salary will such overtime payment expenditures be reimbursable;

7.2.6 Contractor shall make no commitments for services, material or equipment without first obtaining Company's written approval of the terms and conditions of contract or purchase order. No escalation clauses shall be included in any commitment without Company's specific written

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approval;

7.2.7 Contractor shall charge the rates specified in the attached Exhibits for services specified in those Exhibits. Company must review and approve in writing any changes in these rates before such changes can be put into effect.

7.3 Contractor shall use and document its best efforts to obtain for the benefit of Company all lawful discounts, rebates, credits, allowances and refunds for equipment and material available to Company or Contractor.

ARTICLE 8 - TERMS OF PAYMENTS, INVOICES

8.1 Invoices

Contractor shall submit an invoice each month at the following address for compensation due.

Attn: Accounts Payable

Each invoice shall be accompanied by one copy of details to support Contractor's charges, such as Company-signed time sheets for hours worked, expense accounts (including appropriate support vouchers), third party's invoices and specific details on all other reimbursable costs incurred. Such invoice shall, if appropriate, separately set forth Value Added Tax and any other taxes, fees, or exactions required by applicable law to be assessed directly against Company.

8.2 Payment of Contractor's Invoices

8.2.1 Company shall pay Contractor each undisputed invoice within thirty (30) days of receipt thereof less any taxes, fees or other exactions required to be withheld by Company. If, within thirty (30) days, Contractor has not received payment of an undisputed invoice, Contractor will so notify Company in writing.

8.2.2 In the event Company disputes an invoice, payment of the invoice shall be withheld until resolution of the dispute. If Contractor either amends the invoice in satisfaction of the dispute or provides the required documentation to substantiate invoice details, the time for payment of any such invoice for the undisputed amount shall commence from the date of Company's receipt of the amended invoice or the required documentation.

8.2.3 Contractor shall, as a condition to Company's obligation to pay any invoice, provide to Company and maintain current a Letter of Credit in the form set forth in Exhibit 6 hereto and issued by a bank acceptable to Company. Such Letter of Credit shall be in the amount of _____ CNY (_____) and shall remain valid throughout the performance of the Work and for a period of 12 months after completion of all of the Work.

8.3 Place of Payment

Each payment by Company shall be made by check or wire transfer to:

Signed for and on behalf of
(Подписано от имени и по поручению)

_____, (Managing Director)

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(Подписано от имени и по поручению)

_____, (Director General)

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8.4 Currency of Payments

8.4.1 Company shall make all payments in the Currency including expenses paid in other currencies which shall be converted and invoiced in the Currency except as provided in Article 8.4.2 below.

8.4.2 Company may at its option pay Contractor partially in the Currency and partially in local currency, with the proportion to be paid in local currency being intended to equal Contractor's local currency expenditure requirements and the portion to be paid in the Currency equal to Contractor's other currency requirements. Expenses incurred and paid in any other currencies by Contractor shall be reimbursed by Company in the Currency equivalent.

8.5 Contractor shall provide documentary evidence as to the Currency cost of acquiring any other currency in which Contractor incurs expenses, to the satisfaction of Company. In those instances where satisfactory documentary evidence of the Currency cost of such other currency is not available, then the amount to be paid in the Currency shall be computed on the basis of the average of the closing London immediately available buy and sell rates between the Currency and the other currency in which the reimbursable expenses were incurred as published by the London Financial Times on the last working day of the month preceding the month in which the invoice is paid.

ARTICLE 9 - CHANGES IN THE WORK

9

9.1 Company shall have the right to make changes in the Work i.e. alterations, additions or reductions. When Company informs Contractor that a change is contemplated, or when Contractor believes that Company has requested a change, Contractor shall advise Company in writing if it believes such change has an effect on the completion date and/or Contractor's ability to meet all of its representations, guarantees and warranties. Company may also request Contractor to provide an estimate of the cost of the contemplated change.

9.2 Should Company direct Contractor to make the change, Company shall issue to Contractor a written change order including any modification of Contractor's representations, guarantees and warranties, Project Schedule, and/or completion date to which Company agrees. No change in the Work for which Contractor has advised Company in writing that Contractor believes the change will have an effect on the Project Schedule, completion date, and/or Contractor's ability to meet all of its representations, guarantees and warranties shall be undertaken by Contractor until it has received an approved written change order.

9.3 There shall be no change in the basis of compensation (rates, mark-ups, Fee, or any other aspect of compensation) as a consequence of Company making changes in the Work.

ARTICLE 10 - WARRANTIES AND GUARANTEES

10.1 Contractor represents, warrants and guarantees that the Work shall meet all of the

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_____, (*Managing Director*)

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(Подписано от имени и по поручению)

_____, (*Director General*)

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requirements set forth in this Agreement and that the Work shall be first-class in every particular and free from defects in design, engineering, materials and workmanship. Contractor further represents, warrants and guarantees that all materials and equipment provided by Contractor for the Facilities shall be new and of first quality (unless otherwise agreed to by Company in writing). This guarantee shall apply whether or not designs, engineering, data, workmanship, or information have been provided, reviewed, accepted, or approved by Company, but shall not apply to defects caused by the Facility being subjected to conditions substantially more severe than described in this Agreement.

10.2 Company shall notify Contractor in writing promptly after discovery of any breach of Contractor's representations, warranties or guarantees set forth in Section 10.1 which may appear at any time but not later than the shorter of twelve (12) months after the date the Facilities are first placed in operation or eighteen (18) months after completion of construction of the Facilities. Contractor shall promptly propose a method of correcting the discrepancy or defect which meets all requirements of this Agreement and involves the least loss of operating time. Company, in its sole discretion, may select Contractor's proposed method or any other method of correcting the discrepancy or defect. Contractor shall perform the corrective work in accordance with the selected method. When required by Company, Contractor shall perform the corrective work required to satisfy this guarantee on an overtime and/or shift work basis, and shall procure required materials using the fastest means available in order to minimize Company's loss of operating time. Contractor shall perform all corrective work, being work of a type originally performed or to have been performed by Contractor under this Agreement, at no cost to Company; however, Company shall reimburse Contractor for any difference in cost to Contractor between the selected method and the proposed method, and for the premium portion of Company-requested overtime and/or shift work. If corrective work is performed under this guarantee, the guarantee shall also apply to discrepancies and defects in the corrective work that are discovered within the shorter of twelve (12) months after the corrected work is again placed in operation or eighteen (18) months after the corrective work is complete. In addition, the term of this guarantee shall be extended for any period that a segment of the Facilities cannot be operated as a result of discrepancies or defects.

10.3 Contractor shall obtain from all Subcontractors and vendors and cause to be extended to Company the best possible representations, warranties and guarantees with respect to materials and workmanship of third-party manufactured equipment furnished by such Subcontractors and vendors. All representations, warranties and guarantees shall be subject to approval by Company and shall be so written as to survive all Company and Contractor inspections, tests, approvals, and acceptance.

10.4 Contractor shall be responsible for enforcing the representations, warranties and guarantees specified in Section 10.3 above, commencing at the time such representation, warranty or guarantee is furnished and ending the shorter of twelve (12) months after the date the Facilities are first placed in operation or eighteen (18) months after completion of construction of the Facilities. The cost of replacing or repairing any defective equipment or material furnished by Subcontractors or vendors and not recoverable under the representations, warranties or guarantees received by Contractor from said Subcontractors and vendors shall be for the account of Company, unless such defect was caused by or permitted because of Contractor's improper supervision or inspection, in

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which event, the engineering, inspection and purchasing services for correcting the defect shall be for Contractor's account and not reimbursable. Commencing after the expiry of the aforesaid period of Contractor enforcement responsibility, Contractor shall only be responsible for assisting Company in enforcing such representations, warranties and guarantees, when requested by Company.

ARTICLE 11 - ACCEPTANCE OF THE WORK

11.1 Company at all times shall have the right, but not the obligation and without liability to discover any non-conforming Work, and without releasing Contractor for non-conforming Work, as herein provided, to inspect the Work and reject at any time any portion of the Work which in Company's judgment does not conform to specifications, comply with Contractor's representations, guarantees or warranties, or is of improper or inferior design or workmanship.

11.2 Inspection, approval or acceptance by Company of any part of the Work shall not relieve Contractor of any obligations under this Agreement for unperformed or improperly performed Work.

11.3 The Work shall not be accepted as complete and Contractor shall ensure that the Letter of Credit shall remain in full force and effect unless the following have occurred:

11.3.1 receipt by Company of all technical information required;

11.3.2 receipt by Company of any releases of liens, claims and encumbrances as required by Company in accordance with Article 18;

11.3.3 receipt by Company of all documentation from Contractor required for Company to obtain governmental approvals and provision of all permit support services required to obtain governmental approvals;

11.3.4 completion of all provisions of Company's Project Instructions (Exhibit 7); and

11.3.5 receipt by Company of original drawings, required microfilms, and electronic drawing files.

11.4 Company's acceptance of or failure to reject the Work shall not be deemed to be a waiver of Company's right to enforce any representation, warranty, or guarantee contained in, or to make any claim in respect of any breach of, this Agreement.

ARTICLE 12 - GENERAL INDEMNITY

12.1 Contractor shall defend, indemnify and hold harmless Company and its shareholders and its and their respective officers, directors, shareholders, agents and employees (hereinafter "indemnitees") against all claims, demands, losses, costs, liabilities and expenses arising out of injury to or death of any person (including employees of contractor and indemnitees) and damage to or destruction of any property (including property of indemnitees and contractor) arising out of or in connection with this contract. such indemnity shall apply regardless of the active, passive or

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_____, (Director General)

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concurrent negligence or negligence per se of any indemnitee or others and regardless of whether liability without fault, or breach of express or implied warranty, is imposed or sought to be imposed on one or more of the indemnitees.

12.2 The indemnity in article 12.1 shall not apply:

12.2.1 where such loss, damage, injury, liability, cost or claim referred to in article 12.1 is the result of the sole negligence or willful misconduct of an indemnitee upon whom liability is imposed and is not contributed to by any act of, or by any omission to perform some duty imposed by law or contract on, contractor, its subcontractor, or either's agent or employee; or

12.2.2 to the extent that the damage to the property of indemnitees is in excess of the applicable insurance which contractor carries or has others carry and which shall not be less than that provided in article 13.

12.3 Defense of Claims, Costs and Attorneys' Fees in Connection with Any Claims or Litigation:

12.3.1 Contractor shall, at its sole cost and expense, defend any and all claims which may be brought against it or against Indemnitees for acts or omissions for which Contractor indemnifies Indemnitees, including claims brought against Contractor and any Indemnitee jointly and any and all suits and legal proceedings originating out of such claims. Contractor shall accept and initiate such defense within thirty (30) days of written request by Indemnitee.

12.3.2 Contractor shall promptly pay: (a) to any Indemnitee all costs and reasonable attorneys' fees incurred by such Indemnitee resulting directly from any and all loss, injury, liability and claims for which Contractor is obligated to indemnify such Indemnitee, and (b) exclusive of costs and attorneys' fees incurred in connection with arbitration under Article 24, Company's and its Shareholders' costs and reasonable attorneys' fees incurred in enforcing the provisions of Article 12, or in any legal action in which Company or any Indemnitee prevails, in whole or in part, brought against Contractor based on the breach of this Agreement or to enforce an arbitration award; and

12.3.3 Any Indemnitee shall at all times have the right to participate in the defense | of any such suits or legal proceedings if it is a party in interest, or is made a party defendant.

12.4 The Indemnitees' rights to indemnification shall be independent of rights pursuant to insurance provided pursuant to Article 13.

12.5 Duration and Extent of Indemnities. All indemnity obligations in this Agreement, including but not limited to the obligations contained in Article 12 and its subsections, shall survive the termination of this Agreement, regardless of the cause or reason for termination. All indemnities given in favor of a Party shall be deemed to extend to that Party's affiliates and their respective officers, directors and employees.

13. INSURANCE

13.1 Without in any way limiting Contractor's liability under Article 12, Contractor shall maintain

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_____, (Managing Director)

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_____, (Director General)

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at Contractor's sole expense the following insurance and such other insurance required by the applicable law: \$

13.1.1 All social plan insurances required by the laws of the country in which Contractor is domiciled (including, if Contractor is domiciled in _____: Worker's Compensation and Employer's Liability insurance, including insurance coverage under the _____ if applicable) with limits sufficient to comply with all applicable laws including the laws of the state or country of origin of its expatriate employees to cover such employees.

13.1.2 Comprehensive or Commercial General Liability Insurance (bodily injury and property damage) with contractual liability insurance to cover liability assumed under this Agreement (including products and completed operations and broad form property damage liability insurance). The limits of liability per occurrence for such insurance shall be the aggregate limits of the Contractor's applicable primary, excess and umbrella policies but not less than _____ CNY (000,000.00).

13.1.3 Automobile Bodily Injury and Property Damage Liability Insurance, covering owned, non-owned and hired automobiles with limits of liability equal to the aggregate limits of Contractor's applicable primary, excess and umbrella policies but not less than required under the applicable law nor less than _____ CNY (000,000.00) per occurrence single limit.

13.1.4 If performance of this Agreement involves performance of marine work or requires Contractor to furnish watercraft, Contractor shall maintain or require owners of such watercraft to maintain:

13.1.4.1 Hull and Machinery Insurance, including, collision liability, on

all vessels and barges with a limit equal to or greater than the fair market value of each such vessel and barge.

13.1.4.2 Protection and Indemnity Insurance, including coverage for

injuries to or death of masters, mates and crews of vessels used in the performance of this Agreement. The limits of liability of such insurance shall be the aggregate limits of the applicable primary, excess and umbrella policies but not less than an amount equal to the full value of the vessel nor less than the amount of _____ (000,000.00) per occurrence. Contractor may cover its obligations for loss of life or bodily injury to the crew of the vessel by extension of the Worker's Compensation insurance under Article 13.1.1.

13.1.5 If performance of this Agreement requires Contractor to furnish aircraft (including helicopters), Contractor shall maintain or require owners of such aircraft to maintain Aircraft Liability {Bodily Injury (including liability to passengers) and Property Damage}

Insurance with an overall combined single limit per occurrence equal to the aggregate limits of the applicable primary, excess and umbrella policies but not less than the amount of _____ (000,000.00) per occurrence.

13.2 Policy Endorsements. The above insurance shall include a requirement that the insurer provide Company with thirty (30) days' written notice prior to the effective date of any cancellation or material change of the insurance. The insurance specified in this Article shall contain waivers

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(Подписано от имени и по поручению)

_____, (Managing Director)

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Signed for and on behalf of
(Подписано от имени и по поручению)

_____, (Director General)

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of subrogation rights, of reimbursement rights and rights to credit for future payments, against the Indemnitees and, if applicable, an assignment of equitable or statutory lien. The insurance specified in Articles 13.1.2, 13.1.3, 13.1.4 and 13.1.5 shall:

13.2.1 name the Indemnitees as additional insureds with respect to operations performed hereunder, without regard to any liability assumed by Contractor under this Agreement;

13.2.2 provide that the insurance is primary coverage with respect to all insureds and shall not be considered contributory insurance with any insurance policies of Company or its Shareholders; and

13.2.3 apply separately to each insured as to whom a claim is made as if each insured were the only insured.

13.3 Evidence of Insurance. Before commencing the Work, Contractor shall provide Company with certificates or other documentary evidence of the insurance, satisfactory to Company. Acceptance of such certificate shall not constitute a waiver, release or modification of any of the insurance coverages required under Article 13 if the certificate is inconsistent with any of those coverages. Upon request Contractor shall provide copies of insurance policies required pursuant to this Agreement.

13.4 Insurance Required from Subcontractors. Without in any way limiting Contractor's liability pursuant to Article 12, Contractor shall obtain from its Subcontractors, if any, the insurance coverage and endorsements set forth in Articles 13.1 and 13.2 excepting that both Company and Contractor shall be named additional insureds and the maximum amount of Comprehensive or Commercial General Liability Insurance to be imposed on a Subcontractor shall not exceed the greater of the amount normally carried by that Subcontractor or _____ (000,000.00) without prior Company approval.

13.5 Waiver of Subrogation, Contractor's Physical Damage Insurance.

Contractor waives the right of subrogation against Company and its Shareholders of all Contractor's insurers providing physical damage insurance on vehicles, construction/drilling equipment, tools, temporary structures, temporary excavations, or supplies owned or used by Contractor or its Subcontractors. Contractor shall obtain such waivers of subrogation in writing from all insurers whose policies require Contractor to obtain such waivers in writing.

ARTICLE 14 - PATENT INDEMNITY

14.1 Except as provided in Sections 14.3 and 14.4 below, Contractor shall defend, indemnify and hold harmless Company and its Shareholders from and against any and all loss, damage, injury, liability and claims thereof for any patent, copyright, or trademark infringement or misuse of any trade secrets resulting directly or indirectly from the performance of the Work by or for Contractor, including provision of Material and designs, and use of tools and other equipment by or for Contractor in any connection, and shall reimburse Company fully for any royalties, damages or other payments that Company shall be obliged to pay.

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_____, (Director General)

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14.2 Contractor shall defend, indemnify and hold harmless Company and its Shareholders from and against any and all loss, damage, injury, liability and claims thereof for any patent, copyright, or trademark infringement or misuse of any trade secrets arising out of the use by Contractor or Company of any process, equipment or Material embodied in the Facility which is designed by Contractor, or the design for which is provided by Contractor, other than as set forth in Sections 14.3 and 14.4 below, and shall reimburse Company fully for any royalties, damages or other payments that Company shall be obliged to pay; provided that Company shall promptly notify Contractor in writing of such claim of infringement.

14.3 Contractor shall inform Company if any proprietary technology of others is to be used by Contractor and requires the obtaining of any license or similar right or the payment of any royalty or similar fee by or for Company. Company shall have the right to negotiate directly with the owner of such proprietary technology with respect to such license and/or royalty. Provided that Contractor shall have given Company adequate notice so that Company can complete negotiations with the owner of such proprietary technology, and provided that Contractor shall not undertake use of the same hereunder until notified by Company that its negotiations have been completed, then Contractor shall not be obliged to indemnify Company under Sections 14.1 or

14.2 above with respect to Contractor's proper use of that technology.

14.4 Contractor shall obtain from equipment manufacturers and vendors such patent indemnity as applies to the manufacturer's or Vendor's product as appropriate, and such patent indemnity will be for the benefit of Company. Contractor shall assist Company as requested to enforce such patent indemnity.

14.5 Company shall have the right to be present and represented by counsel, at its own expense, at all times during litigation and/or other discussions relating to claims of patent infringement arising under Sections 14.1 and/or 14.2 above. Neither Contractor nor Company shall settle or compromise any such litigation without the consent of the other if such settlement or compromise obligates the other to make any payment or part with any property or assume any obligation or grant any license or other rights or be subject to any injunction by reason of such settlement or compromise.

ARTICLE 15 - TREATMENT OF PROPRIETARY INFORMATION

15.1 As used herein, the term Proprietary Information shall mean all information which Contractor, directly or indirectly, acquires from Company or its Shareholders or from the performance of the Work or any other information concerning the technical and business activities and know-how of Company or its Shareholders, except information falling into any of the following categories:

15.1.1 information which, prior to the time of disclosure or acquisition hereunder, is lawfully in the public domain;

15.1.2 information which, after disclosure or acquisition hereunder, lawfully enters the public domain, except where such entry is the result of Contractor's disclosure or other breach of this Agreement;

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_____, (Director General)

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15.1.3 information, other than that obtained from third parties, which, prior to disclosure or acquisition hereunder, was already lawfully in Contractor's possession either without limitation on disclosure to others or which subsequently becomes free of such limitation;

15.1.4 information obtained by Contractor from a third party who is lawfully in possession of such information and not subject to a contractual or fiduciary relationship with Company or any of its Shareholders with respect to said information. Contractor may use and disclose such information in accordance with the terms under which it was provided by such third party.

Proprietary Information shall not be deemed to be within the foregoing categories merely because such information is embraced by more general information lawfully in the public domain or in Contractor's possession. In addition, any combination of features shall not be deemed to be within the foregoing categories merely because individual features are in the public domain or in Contractor's possession but only if the combination itself and its principle of operation are lawfully in the public domain or in Contractor's possession.

15.2 Contractor represents that it has a policy and procedure designed to protect trade secret rights of its own proprietary information including notices to its employees to prevent unauthorized publication and disclosure of such information. Contractor agrees that Proprietary Information shall be subject to such policy and procedure. In addition, Contractor agrees that it shall not disclose any Proprietary Information to any third party or use Proprietary Information other than on Company's behalf except as Company may otherwise authorize in writing. If disclosure to a third party is so authorized, Contractor shall enter into a confidentiality agreement with said party containing the same terms and conditions with respect to use or disclosure of Proprietary Information as this Article 15 contains.

15.3 Contractor also agrees to safeguard all documents containing Proprietary Information which Company may supply to Contractor hereunder and all other documents containing Proprietary Information whether prepared by Contractor or another. Contractor may make copies of such documents only to the extent necessary for the performance of the Work. Contractor shall prevent access to all such documents by third parties. On completion of the Work, Contractor agrees to return to Company all such documents containing Proprietary Information and to destroy all copies thereof. However, should Contractor desire to retain certain documents and should it receive Company's written approval therefor, Contractor shall continue to treat said documents in accordance with the terms of this Section 15.3.

15.4 Contractor also agrees to enter into confidentiality agreements with third parties upon Company's request and to keep in force confidentiality agreements concerning third parties' proprietary information, which agreements shall permit Contractor to use such parties' proprietary information in the Work.

15.5 It is not Company's desire to be afforded access to Contractor's, any Subcontractor's or any other third party's confidential information; therefore, it is agreed that any information which Contractor supplies or arranges to have supplied to Company shall not be subject to any obligation of confidence (notices on drawings, proposals, graphs, tables, specifications and the like to the contrary notwithstanding); and Company shall not be liable for any use or disclosure of such

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_____, (Director General)

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information and Contractor shall hold Company and its Shareholders and its and their affiliates harmless against any liability arising from such use or disclosure. Contractor also warrants that it will not disclose to Company any information that is subject to an obligation of confidence to any third person(s).

ARTICLE 16 - INVENTIONS AND LICENSES

16.1 Contractor agrees to disclose promptly to Company all inventions which it, its employees, agents or Subcontractors may conceive or first reduce to practice that are wholly or in part based on or derived from Proprietary Information as defined in Article 15 or conceived or first reduced to practice during the course of the Work. All rights, title and interest in and to such inventions shall belong to Company or its designee. Contractor agrees to execute or have executed all documents and to perform or have performed all lawful acts which Company may deem desirable or necessary to perfect its or its designee's title thereto and to obtain and maintain patent coverage thereon throughout the world. Company will reimburse Contractor for costs and expenses incurred in connection therewith which in Company's opinion are considered reasonable.

16.2 Contractor further agrees to grant and hereby grants to Company and its affiliates an irrevocable, royalty-free, nonexclusive license, under all patents now or hereafter owned or controlled by Contractor, to the extent necessary for the manufacture, construction, operation, maintenance, repair or alteration of any facility, unit or component designed or specified by Contractor under this Agreement.

16.3 Contractor shall obtain the same rights and/or licenses with respect to inventions and/or patents as stated in Sections 16.1 and 16.2 from any Subcontractor and/or vendor, from whom Company requires these rights and/or licenses. Company shall advise Contractor of such requirements in writing.

ARTICLE 17 - DEFAULT, TERMINATION AND SUSPENSION

17.1 If Contractor shall become insolvent; or if insolvency, receivership or bankruptcy proceedings shall be commenced by or against Contractor; or if Contractor shall assign or transfer this Agreement or any right or interest therein, except as expressly permitted under Article 19; or if the interest of Contractor shall devolve upon any person or corporation otherwise than as herein permitted; or if Contractor shall fail to make prompt payment for services or materials, or persistently disregard laws or ordinances or the lawful requirements of any competent authority or instructions of Company; or if, except for any of the reasons stated in Article 21, Contractor shall fail, neglect, refuse or be unable at any time during the course of the Work to provide ample services or qualified personnel to perform the Work at a rate deemed sufficient by Company to give reasonable assurance that Contractor will complete the same on the agreed-to schedule; or if Contractor shall default in its performance of a material representation, warranty or guaranty or other provision of this Agreement; then Company and Contractor shall have the following rights,

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(Подписано от имени и по поручению)

_____, (Managing Director)

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_____, (Director General)

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obligations, and duties:

17.1.1 Company without prejudice to any of its other rights or remedies may terminate this Agreement forthwith by giving written Notice of Termination to Contractor;

17.1.2 Contractor shall, if required by Company, assign to Company such of Contractor's subcontracts as Company may request;

17.1.3 Company, without incurring any liability to Contractor, shall have the right to finish the Work itself or with the assistance of third parties;

17.1.4 Contractor shall be liable for any excess cost of the Work incurred by Company on account of any of the circumstances described in Section 17.1. Company shall be entitled to withhold further payments to Contractor until Company determines that Contractor is entitled to further payments. Upon completion of the Work by Company or third parties the total cost of the Work shall be determined and Company and Contractor shall agree in writing on the amount, if any, that Contractor shall pay Company or Company shall pay Contractor, which shall be deemed to complete all payments under the terms of this Agreement.

17.2 In addition, Company may in its sole discretion terminate the Work with or without cause at any time by giving written Notice of Termination to Contractor. Termination by Company in accordance with the provisions hereof shall neither constitute a breach of this Agreement nor entitle Contractor to any damages or claims except as expressly provided under this Article 17. If the Work, or any part thereof, is terminated by Company, Company and Contractor shall have the following rights, obligations and duties:

17.2.1 Company shall pay Contractor all Reimbursable Costs not yet reimbursed to Contractor. In addition Contractor shall be due as compensation that portion of the Fee actually earned for the Work performed up to the date of termination;

17.2.2 Company shall pay Contractor an amount equal to the prior two weeks of Reimbursable Costs which were paid for the services of each of Contractor's reimbursable personnel affected by the termination plus the actual cost of business travel expenses required to return the said personnel which are expatriate or field personnel to the country in which they first provided services under this Agreement.

17.2.3 Contractor, as a condition of receiving such payments, shall execute all papers and take all other steps that may be required to vest all rights, setoffs, benefits and title in Company, and Contractor shall render any such reasonable assistance as required by Company to accomplish this. Contractor's reasonable and documented out-of-pocket costs in connection therewith shall be reimbursable.

17.3 Company also may at any time suspend performance of all or any part of the Work by giving written notice to Contractor. Such suspension may continue for a period of up to ___ (__) calendar days after the effective date of suspension during which period Company, in writing, may request Contractor to resume performance of the Work. If at the end of said sixty-day period Company has not required a resumption of the Work, that portion of the Work which has been suspended shall be deemed terminated as of the effective date of suspension pursuant to the provisions of

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_____, (Director General)

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Section 17.2 unless Company and Contractor have agreed in writing to a further extension of the suspension period.

Company shall compensate Contractor for those costs incurred during the suspension period which are attributable solely to the suspension and

17.3.1 are for personnel and/or Subcontractors which, with Company's prior written concurrence, are maintained for the Work; or

17.3.2 are reasonable and unavoidable costs of Contractor confirmed by Company in writing. ,,

ARTICLE 18 - LIENS AND CLAIMS

18.1 Contractor shall promptly pay when due all obligations for labor and material. Contractor shall obtain releases of liens, claims and encumbrances, in form and substance acceptable to Company, executed by all persons or entities who by reason of furnishing materials or services under this Agreement are or may be actual or potential lien holders and claimants, and Company may withhold final payment hereunder until Contractor provides such releases to Company.

18.2 Contractor shall provide Company with an outline of Contractor's procedure for completing the Work free of all claims, liens and encumbrances and Contractor shall indemnify and hold harmless Company and defend it from any and all claims or liens filed and/or made in connection with the Work including all expenses and attorneys' fees incurred in discharging any claims, liens or similar encumbrances.

18.3 Contractor hereby waives its right to assert any liens and attachments, statutory, constitutional, common law or otherwise, on the facilities, the site, or any other property of company and shall also discharge at once, or bond or otherwise secure against all liens and attachments which are filed by its subcontractors and vendors of any tier on account of labor performed for contractor or materials, equipment and supplies furnished for contractor in connection with the work, and shall defend and indemnify company and its shareholders and the owners of the premises on which the work is performed against all loss, damage, injury, liability and claims thereof resulting directly or indirectly from such liens and attachments.

18.4 If Contractor shall default in discharging, or bonding or otherwise securing against, any lien(s) or claim(s) or encumbrance(s) upon materials or equipment or the premises upon which they are located arising out of the performance of the Work by Contractor, its Subcontractors or suppliers, Company shall promptly notify Contractor in writing and give Contractor an opportunity to satisfy or defend any such lien(s) or claim(s) or encumbrance(s). If Contractor either does not promptly satisfy such lien(s) or claim(s) or encumbrance(s) or cannot give Company satisfactory reasons in writing for not paying such lien(s) and claim(s) or encumbrance(s), Company shall have the right, at its option, after written notification to Contractor, to settle by agreement or otherwise provide for the discharge of such lien(s) or claim(s) or encumbrance(s); and Contractor shall reimburse Company for all costs incurred by Company necessary to discharge such lien(s) or

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claim(s) or encumbrance(s) including administrative costs, attorneys' fees and other expenses.

18.5 Contractor shall submit written notice to Company of any and all claims, demands or proceedings by Contractor against Company or its Shareholders arising out of or related to Company's performance of the terms and conditions of this Agreement. Such notice must be given to Company clearly marked with the caption "Notice of Claim" on every page of the document within fourteen (14) days after Contractor has had notice of or should reasonably have been expected to have had notice of the basis for such claims, demands or proceedings and, with regard to claims, demands and proceedings arising after completion of the Work, not later than thirty (30) days after such completion of the Work. Any statutes of limitation notwithstanding, Contractor expressly agrees that its right to bring or to assert against Company or its subsidiaries or affiliates any and all of such claims, demands or proceedings shall be waived unless (a) timely notice is given to Company as set forth above and (b) proceedings, if any, based on such claims or demands are commenced within one (1) year of the date of such notice to Company, in accordance with the provisions of Article 23.

18.6 Contractor shall include a clause similar to Section 18.4 in all of its subcontracts. Further, in the event that any claim, demand or proceeding is made or commenced against Company or its Shareholders or its or their subsidiaries or affiliates by or on behalf of any Subcontractor arising out of or in connection with the Work, Contractor shall defend, indemnify and hold Company and its Shareholders harmless from and against any and all damages or costs (including administrative costs, attorneys' fees and other expenses) associated with or related to such Subcontractor claim, demand or proceeding, and such damages or costs shall not be reimbursable by Company.

18.7 Contractor agrees to make no claim for damages for delay, whether contemplated or not, in the performance of this Agreement occasioned by any act or omission to act of the Company or any of its representatives or any party for whom the Company is legally responsible; and Contractor agrees that any such claim shall be fully compensated for by an extension of time to complete performance of the Work as provided herein.

ARTICLE 19 - ASSIGNMENTS, SUBCONTRACTS AND PURCHASE ORDERS

19.1 Any assignment by Contractor of this Agreement or of any partial or total interest therein including, but not limited to, any monies due or to become due Contractor hereunder, without Company's prior written consent, shall be null and void. Approval by Company of a subcontract or purchase order shall not relieve Contractor of any of its obligations under this Agreement.

19.2 Company may assign this Agreement or any interest therein to any of its subsidiaries or affiliates.

19.3 Contractor shall not subcontract all or any portion of the Work without prior written approval by Company of the Subcontractor and of the provisions of the subcontract. Approval by Company of a subcontract or purchase order shall not relieve Contractor of any of its obligations under this Agreement. Contractor represents and warrants that all Subcontractors shall perform their portion of the Work in accordance with their respective subcontracts. Contractor shall furnish such

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_____, (Director General)

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information relative to its Subcontractors as Company may reasonably request. No Contractor subcontract or purchase order shall bind or purport to bind Company, but each such subcontract or purchase order shall contain a provision permitting assignment of it to Company upon Company's written request.

19.4 The provisions of Article 19.3 notwithstanding, when directed by Company so to do, Contractor shall assist Company in soliciting bids, analyzing bids, entering into contracts and purchase orders, and verifying performance of work, delivery of equipment and materials, and verification of invoices. Such contracts and purchase orders will be prepared in Company's name and signed by a duly authorized representative of Company. Such contracts and purchase orders shall not directly place obligations on Contractor; however, Contractor shall provide services in connection with such contracts and purchase orders of the type provided under this Agreement and to the extent directed by Company. Contractor shall issue all purchase orders in accordance with the purchasing procedure agreed upon in writing by Company and Contractor.

19.5 Contractor shall, by written agreement with each Subcontractor, require each Subcontractor to be bound to the Contractor by terms consistent with this Agreement. Such agreement shall bind the Subcontractor with respect to that portion of the Work for which the Subcontractor is responsible; provided, however, that no Subcontractor shall be a third-party beneficiary of this Agreement.

19.6 Contractor shall include in all subcontracts and purchase orders the right of unilateral written cancellation with or without cause by Contractor or Company, whichever is signatory, of all or any portion of such subcontract or purchase order. Unless Company's prior approval to do otherwise is obtained, each subcontract or purchase order shall state that in the event of a total or partial cancellation, Subcontractor or vendor may claim only its properly supported out-of-pocket costs plus a reasonable amount to compensate Subcontractor or vendor for demonstrably related charges for the canceled portions, all to be determined in accordance with generally accepted accounting procedures. In addition, the subcontract or purchase order shall state that title to materials or partially completed work whose full costs are included in the cancellation charges shall pass to Contractor or Company and that Subcontractor or vendor will be advised, in writing, what disposition shall be made of such materials or work.

19.7 Contractor shall not make any payment to any Subcontractor or vendor who is in default under the terms of its subcontract or purchase order and shall promptly advise Company in writing of any Subcontractor or vendor who is in default no later than the first day of the next accounting period following such default. Company will determine with Contractor an equitable basis for making any further payment in such cases and shall confirm such basis in writing.

19.8 Contractor shall not pay any Subcontractor or vendor in full until Company has advised Contractor in writing whether it requires from such Subcontractor or vendor a certificate and release satisfactory to Company that such subcontract has been fully performed and that no property of Company or property used in connection with the Work is subject to any unsatisfied lien or claim as a result of the performance or nonperformance of such Subcontractor or vendor.

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(Подписано от имени и по поручению)

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_____, (Director General)

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ARTICLE 20 - ACCOUNTING RECORDS, ETHICS, AND AUDITS

20.1 In the performance of the Work, Contractor's accounts shall be organized to provide the segregation required by Company for its fixed asset records.

20.2 Contractor and its Subcontractors and vendors of any tier shall maintain true and correct records in connection with the Work and all transactions related thereto and shall retain all such records for at least 24 months after termination of this Agreement.

20.3 No director, employee or agent of Contractor or of any Subcontractor or vendor of Contractor of any tier shall give or receive any commission, fee, rebate, gift or entertainment of significant cost or value in connection with the Work, or enter into any business arrangement with any director, employee or agent of Company or any Shareholder, other than as a representative of Company or such Shareholder, without prior written notification thereof to Company. Each of the Parties warrants that neither it nor its Affiliates has made or will make, in connection with the Work, any offer, payment, promise to pay, or authorization of the payment of any money, or any offer, gift, promise to give or authorization of the giving of anything of value, directly or indirectly, to or for the use or benefit of any official or employee of any Government or to or for the use of any political party, official, or candidate except as required by law. Contractor shall promptly notify Company of any violation of this Article 20.3 and any consideration received as a result of such violation shall be paid over or credited to Company. Additionally, if any violation of this Article 20.3 occurring prior to the date of this Agreement resulted directly or indirectly in Company's consent to enter into this Agreement with Contractor, Company may, at Company's sole option, terminate this Agreement at any time and, notwithstanding any other provision of this Agreement, pay no compensation or reimbursement to Contractor whatsoever for any Work done after the date of termination. Any representative(s) authorized by Company may audit any and all records of Contractor and any such Subcontractor or vendor for the sole purpose of determining whether there has been compliance with this Article 20.3.

20.4 Company may from time to time and at any time after the date of this Agreement until twenty-four (24) months after termination of this Agreement make an audit of all records of Contractor and its Subcontractors and vendors of any tier in connection with payments made on a cost reimbursement basis. Such audit may also cover Contractor's procedures and controls with respect to such reimbursable costs. Upon completion of this audit, Company shall pay Contractor any compensation due hereunder as shown by the audit. Any amount by which the total payment by Company to Contractor exceeds the amount due Contractor as shown by the audit shall be returned to Company. Items of compensation such as fixed percentages, fixed rates, or fixed lump sums shall not be subject to audit under this paragraph. Contractor shall assist Company in making the above audits.

20.5 In the event it receives any direct claims for payment from any of Contractor's Subcontractors or vendors of any tier, Company, in its sole discretion, shall have the right but not the obligation to audit any and all of Contractor's and its Subcontractors' or vendors' records.

20.6 Contractor shall require, and shall require all Subcontractors and vendors of any tier to require, in all agreements in connection with the Work, the agreement of the parties to the

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provisions of this Article 20.

ARTICLE 21 - FORCE MAJEURE

21.1 A delay in or total or partial failure of performance of either Party hereto shall not constitute default, suspension or termination hereunder or give rise to any claim for damages if and to the extent such delay or failure is caused by any force majeure occurrence demonstrably beyond the reasonable control of the Party affected, provided that (1) the affected Party gives prompt written notice to the other Party of the circumstances constituting the occurrence and of the obligation or performance which is thereby delayed or prevented, and (2) such occurrences fall within one or more of the following categories:

21.1.1 acts of God;

21.1.2 expropriation, confiscation, requisitioning or commandeering of all or part of the Facilities or compliance with any oral or written order, directive or request of any governmental authority or person purporting to act therefor or under such authority which affects to a degree not presently existing the supply, availability or use of materials or labor;

21.1.3 acts or inaction on the part of any governmental authority or person purporting to act therefor or under such authority;

21.1.4 acts of war or the public enemy whether war be declared or not;

21.1.5 public disorders, riots or violent demonstrations;

21.1.6 insurrection, rebellion, sabotage or acts of terrorists;

21.1.7 explosions, fires, floods, earthquakes, lightning, hail, severe weather conditions, or other natural calamities; and

21.1.8 strikes, boycotts or job actions, whether direct or indirect, lawful or unlawful.

21.2 If within a reasonable time after a force majeure occurrence which has caused Contractor to suspend or delay performance of the Work, Contractor has failed to take such action as Contractor could lawfully initiate to remove or relieve either the force majeure occurrence or its direct or indirect effects, Company may, in its sole discretion and after written notice to Contractor, initiate such measures, including but not limited to, the hiring of third parties, as are designed to remove or relieve such force majeure occurrence or its direct or indirect effects; and Company may thereafter require Contractor to resume full or partial performance of the Work. Alternatively, Company, in its sole discretion, may decide to terminate this Agreement in accordance with the terms of Article 17.

21.3 Any force majeure delay as defined herein shall be considered an excusable delay, and neither Party shall be entitled to compensation, beyond the provisions of this Agreement, as a result thereof.

Signed for and on behalf of
(Подписано от имени и по поручению)

_____, (Managing Director)

Signing Date (Дата подписания) _____ 20__

(commercial stamp / печать компании)

Signed for and on behalf of
(Подписано от имени и по поручению)

_____, (Director General)

Signing Date (Дата подписания) _____ 20__

(commercial stamp / печать компании)

ARTICLE 22 - SEVERABILITY

The illegality, invalidity or unenforceability of any portion or provision of this Agreement shall in no way affect the validity or enforceability of any other portion or provision hereof. Any illegal, invalid or unenforceable portion or provision shall be deemed severed from this Agreement and the balance of the Agreement shall be construed and enforced as if the Agreement did not contain such illegal, invalid or unenforceable portion or provision.

ARTICLE 23 - NOTICES AND COMMUNICATIONS

23.1 Any notice pursuant to the terms and conditions of this Agreement shall be in writing, delivered personally, sent by registered mail to the addresses given below, or sent by facsimile transmission with electronic confirmation of receipt.

to Contractor:

Attn:

Title:

(Authorized Representative)

to Company:

Attn:

Title:

(Authorized Representative)

with copies to: {To be determined}

23.2 All technical or other communications pertaining to the Work shall be between representatives appointed by the parties. Each Party shall notify the other, in writing, of the name of its representative. Contractor's representative shall be satisfactory to Company, have knowledge of the Work and be available at all reasonable times for consultation. Each Party's representative shall be authorized to act on behalf of such Party in all matters concerning the Work including approvals required.

ARTICLE 24 - GOVERNING LAW AND DISPUTE RESOLUTION

24.1 This Agreement, including this Article and its subparts, shall be governed, construed, interpreted, enforced and the relationship of the parties determined in accordance with the laws of England, without regard to its choice of law rules.

24.2 Any Dispute shall be exclusively and finally settled as set forth hereafter.

Signed for and on behalf of
(Подписано от имени и по поручению)

_____, (*Managing Director*)

Signing Date (Дата подписания) _____ 20__

(*commercial stamp / печать компании*)

Signed for and on behalf of
(Подписано от имени и по поручению)

_____, (*Director General*)

Signing Date (Дата подписания) _____ 20__

(*commercial stamp / печать компании*)

24.3 Failing settlement of the Dispute by direct negotiations, either Party may initiate mediation proceedings by written notice to the other Party.

24.4 Any Dispute that arises out of or relates to this Agreement that cannot be resolved by the above-referenced settlement method may be referred by any involved Party(ies) to binding arbitration. Prompt notice of such referral shall be given by any Claimants) to all other Parties involved in such Dispute. For the purpose of this provision, the Party(ies) initiating recourse to arbitration in respect of such Dispute shall be treated as the Claimants), and the Party(ies) against whom such recourse is sought shall be treated as the Respondents). Within thirty (30) days of the date of notice herein, the Claimants) shall select one arbitrator and the Respondents) shall select one arbitrator, with a third arbitrator to be selected by the two arbitrators within ten (10) days of the selection of the second arbitrator. If the Claimant and Respondent, or either of them, fail to select an arbitrator, or, the two arbitrators fail to select the third arbitrator (who shall be the presiding arbitrator) within the time limits specified, then such arbitrators) shall be appointed by the Secretary General of the Permanent Court of Arbitration of the Hague. The presiding arbitrator shall be a lawyer, qualified in English law and experienced in international commercial petroleum related disputes.

24.5 Arbitration proceedings shall be conducted in the English and Russian languages in _____ under the arbitration rules of the United Nations Commission on International Trade Law (UNCITRAL), except to the extent that location or those rules are unanimously modified by the Parties to the dispute. The time limit of sixty (60) days in paragraph 2 of Article 7 of the UNCITRAL rules is hereby changed to thirty (30) days. Each Party shall bear its own "other" costs, i.e., fees and costs of its own lawyers and witnesses.

24.6 The Parties agree that the Dispute should be resolved as speedily as possible. Therefore, any time limits specified in the arbitration rules shall be strictly complied with and the award should be issued by the arbitrators) within three (3) months of the commencement of the proceedings, or as soon thereafter as possible. Notwithstanding the foregoing, in the event that time is of the essence to resolve the dispute, claim, or controversy, the arbitrators may at the request of any Party decide by a majority vote of the arbitrators to expedite the arbitration process by amending the time requirements contained in the UNCITRAL Arbitration Rules.

24.7 The Parties agree that all documents considered relevant by the submitting Party shall be submitted with the respective points of claim/defense, and any points of counterclaim/reply. Neither Party may compel the other to produce additional documents. However, the arbitrators) shall have discretion, on the arbitrator's own motion or at the request of a Party, to request the submission of additional documents for the arbitral tribunal. The Parties agree to limit the number of witnesses each may call to give evidence on its behalf to two witnesses of fact and one expert witness.

24.8 The arbitrators) shall give a reasoned award in writing and any award shall be final and binding. The Parties expressly agree, so far as is permissible under English law, to exclude any right of appeal or (except for enforcement or confirmation) reference to any court. The Parties hereby agree to forego any claim for, and the arbitrators) shall have no power to award, damages for consequential loss or punitive damages. The award may be enforced by judgment or otherwise

Signed for and on behalf of
(Подписано от имени и по поручению)

_____, (Managing Director)

Signing Date (Дата подписания) _____ 20__

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Signed for and on behalf of
(Подписано от имени и по поручению)

_____, (Director General)

Signing Date (Дата подписания) _____ 20__

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in any court having jurisdiction over the award or over the person or the assets of the owing Party. Applications may be made to such court for judicial recognition of the award and/or an order of enforcement, as the case may be.

ARTICLE 25 - CONSEQUENTIAL DAMAGES

Consequential Damages. Notwithstanding any other provisions of this Agreement, in no event shall either Party be liable to the other for any indirect or consequential damages which may be suffered by such Party in connection with the performance of this Agreement, including, but not limited to, loss of profits or loss of product.

ARTICLE 26-TAXES

26.1 Payment. Contractor shall pay (and Contractor's compensation provided for hereunder includes an allowance for) any and all liabilities or claims for taxes which any taxing authority (including any political subdivision thereof) claiming' jurisdiction over this Agreement or the area where the Work is performed may assess or levy against Contractor on account of or resulting from Contractor's operations pursuant to this Agreement, including:

26.1.1 All income, excess profit or other taxes, charges and imposts assessed or levied on account of Contractor's earnings;

26.1.2 All taxes assessed or levied against or on account of salaries or other benefits paid to Contractor's employees;

26.1.3 All taxes assessed or levied against or on account of any property or equipment (including materials and consumable supplies) of Contractor;

26.1.4 All taxes assessed or levied against or on account of the value of the services performed by Contractor under this Agreement.

26.2 Reports and Withholding. Contractor shall make all reports and take all action necessary for such payments. Company, in the event that it is so required by law, may withhold and pay to the above tax authorities any tax levied or assessed on account of Contractor's operations under this Agreement.

26.3 Indemnity for taxes.

Contractor shall indemnify company and its shareholders against any and all liabilities or claims for taxes, including interest and penalty, which any taxing authority may assess or levy against company or the facilities in connection with contractor's operations under this agreement. contractor shall promptly pay to company and its shareholders all costs and reasonable attorneys' fees incurred by them resulting directly from any such claim by any taxing authority.

26.4 Exceptions. Except as otherwise provided above, Company shall bear any other tax as a

Signed for and on behalf of
(Подписано от имени и по поручению)

_____, (Managing Director)

Signing Date (Дата подписания) _____ 20__

(commercial stamp / печать компании)

Signed for and on behalf of
(Подписано от имени и по поручению)

_____, (Director General)

Signing Date (Дата подписания) _____ 20__

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consequence of this Agreement to the extent that it is required to do so by applicable law.

ARTICLE 27 - SURVIVAL OF PROVISIONS

In order that the parties hereto may fully exercise their rights and perform their obligations hereunder arising from the performance of the Work under this Agreement, such provisions of this Agreement required to ensure such exercise or performance shall survive the termination of this Agreement for any cause whatsoever.

ARTICLE 28 - COMPANY'S DRUGS, ALCOHOL AND FIREARMS POLICY

Firearms, illegal drugs and other controlled substances are not allowed on Company property or other areas where the Work or services for Company are conducted pursuant to this Agreement. The unauthorized use, possession, distribution, purchase or sale of alcohol by any person while on such locations is also prohibited. Contractor's or its employees', agents', Subcontractors' or management's failure to comply with this obligation may, at Company's sole option, result in the immediate termination (Article 17) of this Agreement by Company. Contractor shall be entitled to payment for Work or services performed to the date of such termination but no payment shall be made for lost profit or unused materials, if applicable.

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ARTICLE 29 - ENVIRONMENT

Contractor shall minimize and mitigate impacts to the local environment that may result in connection with Contractor's performance of this Agreement. This shall include proper disposal of all wastes such as oil, chemicals, sewage, garbage, trash and other wastes. Contractor shall comply with Contractor's own environmental guidelines, with Company's furnished environmental requirements and with applicable environmental requirements of Russia and/or _____. Contractor shall ensure that its agents, employees and Subcontractors are aware of Company's environmental policies and Contractor's obligations under this Agreement relating to protection of the environment.

ARTICLE 30 - NON-WAIVER

Either Party's waiver of any breach or failure to enforce any of the terms, covenants, conditions or other provisions of this Agreement, at any time, either in whole or in part, shall not in any way affect, limit, modify or waive that Party's right thereafter to enforce or compel strict compliance with every term, covenant, condition or other provision hereof, any course of dealing or custom of the trade notwithstanding.

Signed for and on behalf of
(Подписано от имени и по поручению)

_____, (Managing Director)

Signing Date (Дата подписания) _____ 20__

(commercial stamp / печать компании)

Signed for and on behalf of
(Подписано от имени и по поручению)

_____, (Director General)

Signing Date (Дата подписания) _____ 20__

(commercial stamp / печать компании)

ARTICLE 31 - THIRD-PARTY BENEFICIARIES

Unless otherwise expressly provided herein (for example, Shareholder indemnification and insurance rights), nothing in this Agreement is intended to benefit any person or entity that is not a Party to this Agreement.

ARTICLE 32 - PUBLIC RELATIONS

Contractor agrees that all public relations matters arising out of or in connection with the Work shall be the sole responsibility of Company. Therefore, Contractor shall obtain Company's prior written approval of the text of any announcement, publication or other type of communication concerning the Work which Contractor or its Subcontractors or vendors wish to release for publication.

ARTICLE 33 - ENTIRETY OF AGREEMENT

This Agreement, as executed by authorized representatives of Company and Contractor, constitutes the entire agreement between the parties with respect to the matters dealt with herein, and there are no oral or written understandings, representations or commitments of any kind, express or implied, which are not expressly set forth herein. No prior stipulation, agreement or understanding by the Parties or any of their representatives shall be of any effect. This Agreement may be modified only in writing signed by both Parties. No oral or written modification of this Agreement by any officer, agent or employee of Contractor or Company, either before or after execution of this Agreement, shall be of any force or effect unless such modification is in writing, is expressly stated to be a modification of this Agreement and is signed by duly authorized representatives of both parties. No waiver of any provision of this Agreement shall be of any force or effect unless such waiver is in writing, is expressly stated to be a waiver of a specified provision of this Agreement and is signed by the Party to be bound thereby.

ARTICLE 34-TITLES

The various captions and titles used in Articles of this Agreement are for convenience only and shall not be used to interpret the contents of its Articles.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the day of ,199. #

Company

BY

TITLE:

Signed for and on behalf of
(Подписано от имени и по поручению)

_____, (*Managing Director*)

Signing Date (Дата подписания) _____ 20__

(*commercial stamp / печать компании*)

Signed for and on behalf of
(Подписано от имени и по поручению)

_____, (*Director General*)

Signing Date (Дата подписания) _____ 20__

(*commercial stamp / печать компании*)

DATE:

Contractor

BY

TITLE:

DATE:

Signed for and on behalf of
(Подписано от имени и по поручению)

_____, (*Managing Director*)

Signing Date (Дата подписания) _____ 20__

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Signed for and on behalf of
(Подписано от имени и по поручению)

_____, (*Director General*)

Signing Date (Дата подписания) _____ 20__

(*commercial stamp / печать компании*)