

CONTRACT
FOR
OPERATION & MAINTENANCE SERVICES

FOR
POWER PLANT XYZ 4 × 125 MW 9E GAS POWER
PLANT

BY AND BETWEEN

MINISTRY OF ELECTRICITY, (COUNTRY NAME)

(MOE)

AS THE FIRST PARTY

AND

EGYPTROL

AS THE SECOND PARTY

CONTRACT AGREEMENT

CONTRACT AGREEMENT

This Agreement is made and entered into force on 20xx by and between the Ministry of Electricity, (Country Name) (hereinafter referred to either as MOE or Owner) and presented by; _____, and,

Egypt Engineering Services Company S.A.E. (EGYPTROL) (hereinafter referred to as EGYPTROL a Shared Stock Company organized and existing under Law no. 159 for the year 1981 of the Arab Republic of Egypt (A.R.E) having its place of business in Cairo, A.R.E and represented by its General Manager _____

Whereas, the MOE desires EGYPTROL to perform Operation and Maintenance Services as described. In-Appendix A for the Power Plant XYZ 4 × 125 MW 9E Gas Power Plant, hereinafter referred to “Plant”.

And

Whereas, EGYPTROL has the knowledge, experience and capacity to provide the services,

And

Whereas, the MOE is prepared to retain EGYPTROL to perform, and EGYPTROL is prepared to perform to the MOE, the Services upon the terms and conditions set forth in this Agreement,

This Agreement together with all documents, references and appendices to this Agreement form an integral part of it and shall be so construed.

Appendix	Description
A	Scope of Services
B	Organization Charts
C	Schedules Staffing
D	Operation & Maintenance Requirements
E	Unit Rates & Monthly Cost
F	Pricing Breakdown

In consideration of the performance of the Services for Power Plant XYZ Plant described in this Agreement, the MOE shall pay to EGYPTROL as the Total Compensation Ceiling the following for the 6 month Mobilization Period and two years operation Period as per payment conditions stated in this Agreement;

Mobilization

\$ _____

O&M

\$ _____

Based on cost plus fixed fee with ceiling contract price form of contract. In the absence of Owner providing a notice of Contract Termination, this Contract will be extended for additional three years.

A more detailed pricing breakdown of EGYPTROL compensation is set forth in Appendix F to this Agreement.

The estimated manpower by EGYPTROL to perform the services is shown in the Staffing Schedule Appendix C. During the service period and in accordance with the progress of work requirements, EGYPTROL shall redistribute the level of effort and provide the required manpower to perform the scope of service as described in Appendix A without any increase in the Total Compensation Ceiling unless otherwise modified pursuant to Article No. 24

EGYPTROL shall start the work on the first working day after signature, and EGYPTROL shall perform the work with due diligence

The Owner

EGYPTROL

Ministry of Electricity, (Country Name)

Egypt Engineering Services Company

By: _____

By: _____

Title: Chairman & General Directorate of Gas
Projects

Title: General Manager

Date: _____

Date: _____

GENERAL CONDITIONS

EGYPTROL

GENERAL CONDITIONS

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APPENDICES

Appendix A-	Scope of Services & Mobilization Period
Appendix B-	Organization Charts
Appendix C-	Schedules Staffing
Appendix D-	Operation & Maintenance Requirements
Appendix E-	Unit Rates & Monthly Cost
Appendix F-	Fixed Cost and Estimated Operation Budget

ARTICLE 1: DEFINITIONS

The following terms when used herein shall have the following meanings, unless a different meaning is expressly stated or apparent from the context:

"**Affiliate**" means any person or entity that directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, the person or entity specified.

"**Agreement**" or "Contract" shall mean the agreement between Owner and EGYPTROL for the execution of the Service incorporating the Contract Documents.

"**Availability**" means the percentage of available hours of the Plant calculated by $(1-UH/PH) \times 100\%$, UH means total unavailable hours and PH means periods hours.

"**Business Day**" means any day except Friday or other day on which commercial banks in (Country Name) and Egypt are authorized or required by law or executive order to close.

"**Commencement Date**" means the date of the signature of the contract by both parties.

"**Effective Date**" means the date specified under Article 3.1.

"**Emergency**" has the meaning set forth in Article 8.2.

"**Environmental Laws**" means all applicable codes, laws, rules and regulations relating to the presence of any contamination at the Plant or relating to the disposal of, or the discharge into the environment of, any such contamination.

"**Event of Default**" has the meaning set forth in Article 18.

"**Fiscal Year**" means the period of one (1) year starting from July first to end of June of the following year.

"**Force Majeure**" has the meaning set forth in Article 15.

"**Fee**" means the annual fees payable by Owner to EGYPTROL pursuant to Article 9.2.

"**Manufacturer**" means the original equipment supplier to the Plant by the equipment supply contract, which has been executed by and between Owner and equipment supplier.

"**Mobilization Period**" means the six months period from Commencement Date.

"**Non-Routine Maintenance**" means unscheduled and unpredicted repair, required to keep the Plant operating in a safe and efficient manner.

“**Offsite Facilities**”, forming part of the Plant means equipment, pipes, conduits, cables, wires, etc. in each case as provided and installed by Owner and uses in connection with the operation and maintenance of the Plant.

“**Operation Period**” means the time period of two years from the Takeover date of the plant.

“**Owner**” means Ministry of Electricity, (Country Name).

“**EGYPTROL**” Egypt Engineering Services Company.

“**Parties**” means Owner and EGYPTROL.

“**Party**” means Owner or EGYPTROL, as the case may be.

“**Period Heat Rate**” means the actual plant Heat Rate achieved over a Tariff Year.

“**Premises**” shall mean, collectively, the land and easements on which the Plant is located.

“**Plant**” has the meaning of Power Plant XYZ Plant owned by Owner and located in (Country Name).

“**Prudent Utility Practices**” means the practices followed from time to time by the electric utility industry in (Country Name), having regard to engineering and operational considerations, including manufacturers, recommendations. Prudent Utility Practices are not limited to optimum practices, methods or acts to the exclusion of all others, but rather are a spectrum of possible practices, methods and acts which could have been expected to accomplish the desired result at responsible cost consistent with reliability and safety.

“**Service**” means the services to be performed by EGYPTROL under this Agreement.

“**Takeover**” means the transfer of operation and maintenance from Owner to EGYPTROL after the mobilization period.

“**Tariff Year**” means every period of one (1) year starting from Takeover date.

“**Term**” has the meaning set forth in Article 17.

ARTICLE 2: REPRESENTATIONS & WARRANTIES

2.1. **Representations and Warranties of EGYPTROL:** EGYPTROL makes the following representations and warranties to Owner, each of which is true and correct on the date hereof:

- 2.1.1. EGYPTROL possesses all requisite corporate power and authority to enter into and perform this Agreement and to carry out the transactions contemplated hereby.
- 2.1.2. EGYPTROL execution, delivery, and performance of this Agreement have been duly authorized.
- 2.1.3. EGYPTROL has all legal power and authority to own and use its properties and to transact the business in which it engages or proposes to engage, and holds or expects to obtain all franchises, licenses and permits necessary and required therefore.
- 2.1.4. EGYPTROL is not in breach of, in default under, or in violation of, any applicable statute, law, ordinance, decree, rule, or regulation of any Governmental Agency, or the provisions of any franchise or license.
- 2.1.5. No suit, claim, action, arbitration, or legal, administrative or other proceeding is pending or threatened against EGYPTROL that would affect the validity or enforceability of this Agreement.
- 2.1.6. No action, failure to act, event or other circumstances have occurred which, if not cured in time by EGYPTROL, would cause EGYPTROL to be in default under this Agreement.
- 2.1.7. EGYPTROL has the required experience and technical and management expertise to successfully undertake the operation and maintenance of the Plant.

2.2. Representations and Warranties of Owner: Owner makes the following representations and warranties to EGYPTROL, each of which is true and correct on the date hereof:

- 2.2.1. Owner possesses all requisite corporate power and authority to enter into and perform this Agreement and to carry out the transactions contemplated hereby.
- 2.2.2. Owner's execution, delivery, and performance of this Agreement have been duly authorized.
- 2.2.3. Owner has all legal power and authority to own and use its properties and to transact the business in which it engages or proposes to engage, and holds or expects to obtain all franchises, licenses and permits necessary and required therefore.
- 2.2.4. Owner is not in breach of, in default under, or in violation of, any applicable statute, law, ordinance, decree, rule, or regulation of any Governmental Agency, or the provisions of any franchise or license.
- 2.2.5. No suit, claim, action, arbitration, or legal, administrative or other proceeding is pending or threatened against Owner that would affect the validity or enforceability of this Agreement.
- 2.2.6. No action, failure to act, event or other circumstances have occurred which, if not cured in time by Owner, would cause Owner to be in default under this Agreement.

- 2.2.7. Owner has or will have all government licenses, approvals, and permits necessary to conduct its business and operations at the Premises in relation to the operation and maintenance of the Plant.

ARTICLE 3: GENERAL PROVISIONS

3.1. Effectiveness of the Agreement

- 3.1.1. The Agreement becomes effective on the date on which the following condition has been fulfilled:
- a) Signing of the Agreement by duly authorized representatives of both parties.
- 3.1.2. The Agreement shall remain in full force and effect until all the obligations both Parties hereunder have been fulfilled according to Article 17.1 hereinafter.

3.2 Contract Documents

- 3.2.1 The Contract documents consist of the Prices, Terms and Conditions, and the Appendices.
- 3.2.2 Unless otherwise provided herein, in the event of any inconsistency or conflict among Prices, Terms and Conditions, and the Appendices or within or between the Appendices, those provisions which are most relevant to the point at issue and which treat such in more specific detail and greater depth, shall prevail.

3.3 Contract Language

This Agreement is drawn up in English.

The English language shall be the language to be used in all reports, correspondence, instructions, notices, documents and any other data to be exchanged between EGYPTROL and the Owner.

3.4 Notice

- 3.4.1 All notices or other communications which are required or permitted hereunder shall be in writing and shall be sufficient if delivered personally (including DHL, courier), or sent by registered mail or certified mail, telefax, or the equivalent thereof at the addresses in 3.4.2
- i. At the date of receipt of personal delivery (including DHL, courier), registered mail and certified mail, or

- ii. On the tenth Day following mailing of registered mail certified mail, or
- iii. At one Business Day after transmission of facsimile, telegram, or the equivalent thereof, provided an original copy is mailed thereafter.

3.4.2 All notices pursuant to this Agreement shall be made or delivered to parties at the following address or telefax numbers:

<p>➤ MOE Ministry of Electricity (Country Name)</p> <p>➤ EGYPTROL 21 Honine Ibn Ishak St. Nasr City, Cairo, Egypt Tel. 24024267 Fax. 24013353</p>

3.5 General Provisions

- 3.5.1 The rights and obligations hereunder shall be exercised and performed in good faith between and by both Parties.
- 3.5.2 The Agreement constitutes the entire agreement between both Parties, all prior representations having been merged herein, any may not be modified except by a written agreement of the duly authorized representatives of both Parties.
- 3.5.3 The invalidity in whole or in part of any provision hereof shall not affect the remainder of such provision or any other provisions hereof.
- 3.5.4 Unless otherwise provided herein, the period stated in number of days or months shall include Friday and (Country Name) national holidays, and if any specific day falls on Friday or a holiday, the day shall be postponed to the first following business day.
- 3.5.5 Words importing the singular only also may include the plural and words importing persons include corporation, and vice versa.
- 3.5.6 Wherever provisions hereof require any notice, certification, consent or approval by any Party, those actions shall not be unreasonably withheld.

- 3.5.7 Headings of Articles, Paragraphs or Clauses of the Contract are for convenience only and shall not be used in constructing the Contract.
- 3.5.8 Provisions not adequately described herein shall be in accordance with laws, regulation and the best commercial practices.
- 3.5.9 Unless otherwise provided herein, the unit and measurement shall be recorded in the metric system.

ARTICLE 4: SCOPE OF SERVICES

The scope of Services to be supplied or performed by EGYPTROL is specified in Appendix A.

ARTICLE 5: RESPONSIBILITY OF EGYPTROL

5.1. Designation as Operator

EGYPTROL is hereby appointed by Owner, for the Term and any applicable transition period following termination of this Agreement, as the sole Operator of the Plant. EGYPTROL hereby accepts its designation as the sole and exclusive operator of the Plant and agrees to perform diligently throughout the Term the duties and obligations imposed upon it by this Agreement.

5.2. Provision of Service

- 5.2.1 During the Period from the Effective Date to the Takeover Date, the parties shall cooperate to establish mutually agreeable working arrangements for smooth takeover and operation of the plant.
- 5.2.2 EGYPTROL shall perform the Operation and Maintenance Service during the period of this Agreement.

5.3. Organization and Personnel

5.3.1 Central Management.

EGYPTROL organizational structures for the performance of the duties specified herein shall provide for centralized managerial control of the Plant.

EGYPTROL shall appoint a Plant Manager with the required background and experience, subject to approval by Owner, who shall have the responsibility of communication to Owner, and for receiving communications from Owner on all aspects of the operations and maintenance of the Plant.

EGYPTROL will ensure that an individual is available on a 24-hour basis at the Plant to deal with accidents and emergencies relating to the Plant.

5.3.2 Organization

A typical organization chart reflecting the proposed framework for operation and maintenance manpower deployment for the Plant is indicated in Appendix B.

5.3.3 Subcontractors

EGYPTROL shall have the right to have work performed by qualified subcontractors subject to Owner approval and shall be solely responsible for the engagement, supervision and management of subcontractors in the performance of their work.

EGYPTROL internal procedure on selection of subcontractors shall be set up in consideration of Owner's comments. Owner shall review and approve selection of subcontractors by EGYPTROL and discuss the same with EGYPTROL, if required.

Employment of a subcontractor shall not relieve EGYPTROL of any of its obligations hereunder.

5.4. Operation and Maintenance Requirements

EGYPTROL shall operate and maintain the Plant in accordance with a written program approved by Owner. The program shall include all procedures, objectives and tasks identified in Appendix D and shall be modified with mutual consent of Parties if necessary.

5.5. Procurement and Accounting

5.5.1 EGYPTROL shall implement a purchasing and inventory control system so that an adequate spare parts level shall be maintained to support the normal operation of the Plant.

5.5.2 Procurement:

a) EGYPTROL is responsible for the procurement in accordance with its procedure of all goods and services except fuel, and the Plant Long Term Services Agreement with the Gas Turbine manufacture necessary to perform its obligations of this Agreement at the Owner's account, as an agent of the Owner and shall be allowed to import goods by the name of Owner, if necessary; in this case Owner shall support EGYPTROL such as L/C opening, customs clearance and other related matters for all imported goods and materials.

- b) EGYPTROL shall use all reasonable endeavors to obtain all items and services required for the operation and maintenance of the Plant (including without limitation, spare parts) at the best available price and cost on a life cycle cost basis taking into account quality and safety and after written approval of the Owner. EGYPTROL shall take good care of all items procured and shall store the same at the Premises. Title to any item procured by EGYPTROL on behalf of Owner under this Agreement shall pass from the seller to Owner upon the earlier of:
 - a) Its delivery to the Premises or
 - b) The date payment is made with respect to it.
- c) Owner reserves the right to conduct objective and timely review and comment on the form of any contract to be entered into between EGYPTROL, as agent of Owner, and any third person in accordance with EGYPTROL internal procedure on procurement under Article 5.5.2 (b).
- d) EGYPTROL will use its best efforts, during the term of this agreement, to reduce the operating costs for imported items to the maximum possible extent.

5.6. Manufacturer's Warranty

With respect to manufacturer's warranties for the Plant or any component thereof, of which EGYPTROL has been provided copies under Article 6.1, EGYPTROL shall not take any action which violates any such warranty and shall take any steps reasonably necessary to keep each such warranty in full force and effect, unless otherwise notified by Owner in writing.

In the event that the Plant or any component thereof is defective or fails in whole or in part, to operate in its intended manner, and if such defect or failure may be remedied under the terms of any such warranty, EGYPTROL shall prepare and submit necessary warranty claims on behalf of Owner before the expiry date of the warranty period.

5.7. Operating Reports and Meetings

5.7.1 EGYPTROL shall on or about the fifth Business Day of each month, provide Owner, with a written Operating Report relating to the operations of the Plant during the preceding month, in accordance with a reporting form to be agreed upon mutually in advance, such reports to be prepared by EGYPTROL in the ordinary course of business. The Owner shall have the right to request additional information to be added to the report at a later date. Such reports shall summarize all significant events that occurred during the preceding month relating to the operations of the Plant.

5.7.2 Representatives of Owner and EGYPTROL shall, upon request of either party, meet on or about the fifteenth Business Day of each month (or such other day as

EGYPTROL and Owner shall agree) to discuss the contents of any reports delivered in accordance with Article 5.7.1.

5.7.3 The Parties will negotiate formation of an Operating Committee which will include representatives of the Parties and which will have regular meetings. EGYPTROL will nominate two committee members and Owner will nominate two committee members. The purpose of the Operating Committee shall be only to provide advice and suggestions for the efficient operation of the Plant and discuss operation reports of the previous period. The Owner reserves the right to request in writing to EGYPTROL to replace any of its committee members whose services and/or activities are found unsatisfactory. EGYPTROL shall take necessary action to comply with such request.

5.7.4 At the end of each Tariff year, there shall be a meeting of the Operating Committee in which the past Tariff year's performance will be reviewed and suggestions made for improving performance in the forthcoming Tariff year.

5.8. Title to Existing Plant

5.8.1 Owner shall retain legal ownership over all the assets in the Premises and all improvements thereon, however, for the duration of this Agreement; Owner shall guarantee full access to the Plant to EGYPTROL.

5.8.2 Title to all materials incidental to the Plant, including spare parts, equipment, expendables and consumables shall vest in Owner in accordance with the provisions of Article 5.5.2 where appropriate.

5.8.3 General Limitations: Notwithstanding any provision in this Agreement to the contrary, unless otherwise approved in writing by Owner, EGYPTROL shall not:

- a) Sell, lease, pledge, mortgage, encumber, convey, license, exchange or make any other transfer or disposition of any property or assets of Owner.
- b) Amend, terminate, modify or supplement any Plant contract or financing agreement on behalf of or in the name of Owner.
- c) Settle, compromise, assign, pledge, transfer, release or consent to the compromise, assignment, pledge, transfer or release of, any claim, suit, debt, demand or judgment against Owner.
- d) Engage in any other transaction on behalf of Owner not permitted under this Agreement.

5.9. End of Personnel Assignment

At the end of Contract or in case of termination in accordance with Article 17, EGYPTROL shall release back to Owner all employees who have been hired through the Owner organization

ARTICLE 6: RESPONSIBILITY OF OWNER

6.1. Owner Shall

- a) Allow EGYPTROL to access to the Premises, for all persons, equipment, materials and supplies necessary or appropriate to operate and maintain the Plant.
- b) Provide EGYPTROL with copies of manufacturer's warranties for plant and equipment in the Plant.
- c) Provide EGYPTROL with Owner's existing inventory of spare parts, special test equipment, associated maintenance equipment and tooling etc., which shall, if required, be replaced suitably in accordance with EGYPTROL practices at Owner's costs.
- d) Provide EGYPTROL with copies of all licenses or permits obtained by Owner, and all related compliance procedures of Owner, in each case relating to the Plant or the premises; provide notifications as required to appropriate licensing or permitting authorities ; and assist EGYPTROL in obtaining any other licenses or permits necessary for fulfilling its obligations under this Agreement,.
- e) Provide all official security services required for the Plant premises during the Contract Period.
- f) Provide EGYPTROL with copies of all studies, reports, tests, or other information relating to the Premises, including any studies, reports, tests or other information pertaining to the compliance with any Environmental Laws.
- g) Provide EGYPTROL with all Plant drawings, specifications, O&M manuals and recommended spare parts list and provide EGYPTROL with an opportunity to review and provide comments on such documents.
- h) Provide EGYPTROL with necessary office space, storage and dining space.
- i) Arrange payment to EGYPTROL as per the agreed terms of payment.
- j) Arrange for capital improvement / modifications based on EGYPTROL recommendation accepted by Owner.
- k) Provide EGYPTROL with an automatic telephone exchange system equipped with a maximum of 4 lines (local & external) for EGYPTROL during the period of this Agreement. Costs of telephone calls will be to EGYPTROL account.
- l) Provide the fuel supply required for the operation of the Plant in suitable quantity and quality.
- m) Transfer the possession of the Plant at takeover date to EGYPTROL, including access to spare part inventories, equipment, tools, supplies, etc.

6.2. Authorized Representative: Owner shall designate to the Plant Site in writing a single representative who shall have the requisite authority of Owner to render binding directions,

consents or approvals, and respond to accidents or emergencies relating to the Plant, on behalf of Owner.

6.3. Cooperation: Owner shall cooperate with EGYPTROL in the performance of its obligations hereunder and not unreasonably withhold or delay any review, direction, approval or consent required or otherwise necessary for the operation and maintenance by EGYPTROL of the Plant.

6.4. Owner shall be responsible for, and shall pay directly or cause to be paid, the following costs and expenses relating to the Plant:

- a) Property and other taxes related to Owner or the Plant.
- b) Legal and accounting fees incurred by Owner relating to the Plant.
- c) All costs of permits required to be obtained by Owner-with respect to the Plant, in order for EGYPTROL to perform its obligations under this Agreement.
- d) Costs of approved capital improvements, additions or alterations to the Plant including additional environmental equipment in the future.
- e) All costs related to resolution of environmental problems and others, except that caused by mal operation by EGYPTROL.
- f) All costs for providing site facilities and offices for the Services provided by EGYPTROL subject to Owner prior approval. The possession of such facilities shall be transferred to the Owner at the end of the Contract.

6.5. Inventories: Three months after contract signature prior to the takeover date, OWNER and EGYPTROL shall meet and agree on the inventories for all fixtures, fittings, plant and equipment, vehicles, spare parts, consumable supplies and other materials including secondary fuel in storage, potentially required for the continued operation of the Plant after the takeover. OWNER and EGYPTROL shall also agree in the levels of inventory for spare parts, consumable supplies, chemicals and other materials required for twelve (12) months of operation of the Plant. Following the agreement on inventories, EGYPTROL shall take whatever steps that may be required including purchase on behalf of Owner to establish and maintain inventory levels at the agreed upon levels.

6.6. Personnel: The employment of some of MOE employees who work in EGYPTROL staff of the Plant, MOE will approve to grant unpaid leave for these employees during their working period at EGYPTROL.

These employees will be released by EGYPTROL and return to work at MOE at the end of this Agreement Term or its premature termination.

ARTICLE 7: OPERATION PLAN

7.1 Annual Operations Plan

7.1.1 Submittal:

Within one hundred and twenty (120) days prior to the end of each Fiscal Year, EGYPTROL shall submit the Annual Operating Plan to Owner for review and comment. The Annual Operating Plan shall describe a comprehensive definition of management goals, planned maintenance activities, proposed capital improvement and expense budget to be included in the next Fiscal Year allocations.

7.1.2 Format:

The exact format may vary in developing yearly, but the following information shall be included in the Annual Operating Plan:

- a) A specific statement of management goals for the Tariff Year, with descriptions of plans and programs to accomplish them.
- b) The planned operating schedule for the year, including monthly planned production of electricity.
- c) The organizational chart for O&M, along with a description Year.
- d) The proposed planned outage and major maintenance schedule, together with a description of planned major maintenance activities for the Tariff Year.
- e) Specific descriptions and justifications for any proposed capital modifications to be accomplished in the Tariff Year.
- f) The detailed annual budget as per the methods specified in Article 8.
- g) A forecast of scheduled outages for the succeeding five (5) Tariff Years.
- h) Any other information required to satisfy Owner's obligations with other authorities.

ARTICLE 8: BUDGET

8.1 Preparation

EGYPTROL shall provide to Owner a proposed annual operating budget for the O&M of the plant which shall be descriptive quarterly for the Tariff Year, as well as the preventive maintenance and major overhaul plan and rolling five (5) years maintenance requirements

of the Plant for review and comments at least ninety (90) days prior to the beginning of each Tariff year.

Owner shall, within thirty (30) days after receipt each proposed budget and maintenance plan, notify EGYPTROL of any questions, comments, objection or suggested modifications which it may have with respect to said budget and maintenance plan.

The Parties shall cooperate with each other in developing a suitable and reasonable budget and maintenance plan not later than forty-five (45) days after receipt by Owner of all clarifications from EGYPTROL on each proposed budget and maintenance plan.

Within the annual budget confirmed by Owner, EGYPTROL shall be entitled to use operation and maintenance expenditure in order to perform the Services in an efficient manner. However, in case that such expenditure exceeds the annual budget, all such expenditures shall be subject to Owner's approval.

Any expenses incurred by an accident or emergency shall be added to the budget of the Tariff Year except the case under Article 8.2.

In the event that EGYPTROL determines that a capital improvement, addition alteration, repair, replacement or other correction should be made to the Plant in order to comply with any laws, regulations or orders of any Governmental Agency, EGYPTROL shall notify Owner of the nature and reason of them.

EGYPTROL shall not make any such improvement, addition, alteration, repair or replacement without Owner's prior consent, such consent shall not be unreasonably withheld or delayed.

8.2 Emergency

In the event of an accident or emergency relating to the Plant, EGYPTROL may take any action, including committing or expending funds, deemed by EGYPTROL to be necessary and prudent under the circumstances; provided that, EGYPTROL shall immediately notify Owner of such accident or emergency and of the action to be taken in the case of an accident and associated cost. Owner shall approve such action and associated cost promptly. EGYPTROL shall use all reasonable endeavors to minimize expenditure in such circumstance.

In case of an accident or emergency, which is due to EGYPTROL failure, any expense incurred will be to the account of EGYPTROL.

8.3 Amendment

The operating budget and preventive maintenance plans under this Article 8. shall be revised from time to time by mutual agreement of the Parties.

8.4 Accounting

Within Sixty (60) days after the end of each Tariff Year, EGYPTROL shall prepare and submit to Owner a statement, with appropriate original documentation, reconciling all budget amounts for each Tariff Year.

ARTICLE 9: COMPENSATION

9.1 Compensation for the Services

In consideration for Service provided by EGYPTROL, Owner shall reimburse EGYPTROL on monthly basis for all actual costs and expenses incurred by EGYPTROL during such month in providing such Service. Such costs and expenses shall include the following, to the extent incurred by EGYPTROL as indicated in Appendix E & F:

9.1.1 Services:

For the compensation of labor costs for Expatriate personnel seconded to the EGYPTROL and local personnel, Owner shall pay to Appendix E.

9.1.2 Maintenance Cost

Maintenance costs incurred by EGYPTROL in the performance of O&M Services, including:

- a) Overhaul maintenance cost for units 1, 2, 3 and 4 performed by the Long Term Services Contractor and supported by EGYPTROL.

9.1.3 Materials Cost

- a) Cost of tools, parts, equipment and other supplies and materials necessary for the operation and maintenance of the Plant, which have been purchased by EGYPTROL upon Owner's approval.
- b) Cost of consumables necessary for the operation and maintenance of the Plant, which have been purchased by EGYPTROL upon Owner's approval.

9.1.4 Water Treatment Cost

- a) Cost of chemical for water treatment.
- b) Cost for chlorination facilities maintenance.

9.1.5 Administration Cost

- a) Training.
- b) Office supplies.
- c) O&M computerized System.

9.2 Management Fee

In consideration of the Services provided by EGYPTROL, in each monthly period during the Term of this Agreement, Owner shall pay to EGYPTROL a monthly Fee in an amount equal to one twelfth of O&M Fee in accordance with Appendix F.

9.3 Mobilization Fee

In consideration of the Services provided by EGYPTROL during Mobilization period. Owner shall pay to EGYPTROL the fixed Mobilization Fee in Appendix E-1

9.4 Other Charges

In case EGYPTROL incurs any other costs and expenses except for those in Article 9.1 through 9.3, Owner shall reimburse the costs and expenses to EGYPTROL as following:

- a) The approved capital improvement costs.
- b) The insurance premiums in Article 13.1.
- c) Taxes in Article 22.
- d) Owner's responsible charge in Article 6.4; and
- e) Any other charges mutually agreed upon in this Agreement previously approved by Owner.

ARTICLE 10: PAYMENT

10.1 Advance Payment

On or before the date of one (1) month prior to the Commencement Date, Owner shall pay to EGYPTROL twenty (20) per cent of the mobilization cost. The balance of Mobilization Cost will be paid in equal monthly installments for the mobilization duration. EGYPTROL shall submit advance payment guarantee issued by a Licensed Egyptian Bank acceptable to the Owner covering the Advance Payment value and shall be valid till the advance payment is credited to the Owner.

10.2 Currencies

- a) The payment for the labor cost for personnel, the cost for imported materials and services, part of management Fee and bonus shall be made to EGYPTROL in U.S. Dollars. Breakdown of U.S. Dollars is shown in Appendix F.

10.3 Performance Guarantee

Within a period of not more than 10 calendar days from the receipt of the notice of award, EGYPTROL shall deliver to Owner performance Guarantee for an amount of 2.5% of the total contract's value at the cost of EGYPTROL.

10.4 L/C Base Payment

Payments for one year shall be made under a letter of credit issued by a bank acceptable to EGYPTROL on or before the date of takeover date in favor of EGYPTROL. The letter of credit shall be renewed and maintained at the same level every year during the Contract duration. The cost of the letter of credit shall be born by EGYPTROL.

10.5 Invoicing

- a) Submittal to Owner

EGYPTROL shall submit its invoices, in original and three copies on a monthly basis to Owner with supporting documents, or the signed certificate

by EGYPTROL duly authorized representative by the tenth (10th) day of every month.

b) L/C Settlement by Owner

EGYPTROL shall cause to pay the invoiced amount to EGYPTROL through the letter of credit within 30 days following the submission of invoice.

c) Submittal to Bank

EGYPTROL shall submit the invoices separately to the paying bank of the letter of credit on or before five (5) banking business days of the due date for the payments under the letter of credit.

d) Manner of Invoicing

EGYPTROL shall make its invoices separately as follows;

- i. Invoice for Labor cost in articles 9.1 & 9.2.
- ii. Invoice for Other charges in article 9.3.

The invoices shall be made suitable to the payments under the letter of credit. If the billed amount is to be proved as incorrect or unsuitable, EGYPTROL shall refund the received amount and interest accrued thereto to Owner at working capital interest rate.

10.6 Late Payment

If any amount payable by Owner hereunder whether in respect of operation and maintenance cost or otherwise is not paid within 15 calendar days from the Due Date, Owner shall pay interest thereon, calculated at the rate of the overnight of U.S.D. Federal Fund from the due date until such amount received by EGYPTROL.

ARTICLE 11: PERFORMANCE BONUS AND PENALTY

11.1 Performance Bonuses/Penalty Program

The management fee (MF) described in item 9.2, will be disbursed to EGYPTROL based on the readiness of the plant to support plant annual capacity factor of 70% according to the loading schedule as follow:

Hours	Plant Capacity
3000 hrs	100%
3000 hrs	75%
1760 hrs	50%
1000 hrs	Zero
8760 hrs	

A bonus/penalty program shall be applied as an incentive for both Owner and EGYPTROL to maintain the required availability and reliability of the power station to support the plant capacity factor.

The bonus/penalty program will be structured as follows:

Support of Plant Capacity Factor	Yearly Management Fee (MF)
>75%	$2 \times \text{MF} + 10\%$ of annual labor cost
70-75%	$1 \times \text{MF} + 5\%$ of annual labor cost
65 – 70%	$0.5 \times \text{MF}$
<65%	Zero

In addition to this program, a deduction of management fee in 10% increment will be applied for each 100 BTU offset in calculated Heat Rate after degradation adjustment (in according to ASME code or equivalent) for every single Tariff Year.

ARTICLE 12: CONTRACT PERFORMANCE GUARANTEE

Within a period of not more than 10 calendar days from the receipt of the notice of award, EGYPTROL shall deliver to Owner performance Guarantee for an amount of 2.5% of the total contract's value at the cost of EGYPTROL.

This Contract Performance Guarantee shall be posted by EGYPTROL in favor of Owner in the form of a bank guarantee acceptable to Owner, covering the amount stated. This Contract Performance Guarantees shall be valid, subsisting, enforceable and in full force until the end of this Agreement.

ARTICLE 13: INSURANCE

13.1 Owner Shall take the following insurance policies:

- a) Property All Risk & machinery Breakdown Insurance.
- b) Third Parties Liability insurance

13.2 EGYPTROL Shall take the following insurance policies:

- a) Cargo (Marine/Air) insurance shall be to the account of the Owner.
- b) Comprehensive General Liability insurance.

13.3 Insurance Proceeds

- a) In the event that any proceeds of insurance claims with respect to any kinds of loss or damage in relation to this Agreement will have been disbursed to Owner to repair or restore its previous condition, EGYPTROL shall be exempted from any disadvantages including penalty, liability, indemnification, and so on under this Agreement for the portion covered and paid for by such insurance.
- b) In the event that EGYPTROL shall incur any expense to cover additional cost, regarding deductibles, time excess or limit of liability, derived from the insurance in Article 13.1, Owner shall reimburse the costs to EGYPTROL.

13.4 Contents of Policies

- a) Policy drafts under Article 13.2 shall be submitted to Owner for approval.
- b) The insurance maintained by EGYPTROL shall contain a clause to the effect that the insurers have agreed to waive all rights of subrogation against Owner and shall provide for thirty (30) days' written notice to be given to Owner prior to any cancellation, non-renewal or material modification of such policies.
- c) Insurance listed in Article 13.1. (a) and (b) and obtained (and maintained) by Owner shall named as coinsured EGYPTROL and shall provide for thirty (30) days' written notice to be given to EGYPTROL prior to any

cancellation, non-renewal or material modification of such policies. Notwithstanding EGYPTROL being named as a co-insured in the fore-said insurance, all payments received against any or all these insurance shall accrue solely to Owner.

ARTICLE 14: INDEMNIFICATION

14.1 Indemnity by EGYPTROL: EGYPTROL shall protect, defend, indemnify and hold harmless Owner and its officers, employees, agents and representatives and affiliates, from and against any and all liabilities, obligations, damages, penalties, claims, costs, charges and expenses.

14.2 Indemnity by Owner: Owner shall protect, defend, indemnify and hold harmless EGYPTROL and its officers, employees, agents, representatives, contractors, subcontractors and Affiliates, from and against any and all liabilities, obligations, damages, penalties, claims, costs, charges and expenses.

14.3 Net Amount: In the event that an Indemnifying Party is obligated to indemnify and hold any Indemnified Party harmless under this Article, the amount owing to the Indemnified Party shall be the amount of such Indemnified Party's actual out-of-pocket loss, net of any insurance or other recovery.

14.4 Survival of Obligation: The duty to indemnify under this Article will continue in full force and effect notwithstanding the expiration or termination of this Agreement, with respect to any loss, liability damage or other expense based on facts or conditions which occurred prior to such expiration or termination.

ARTICLE 15: FORCE MAJEURE

15.1 The term “Force Majeure” means any cause beyond the control of either party or that either party could not foresee and/or reasonably provide against and that prevents either party from wholly or partly performing any duties under this Agreement. Force Majeure includes but is not limited to any of the:

15.1.1 War, revolution, insurrection, or hostilities (whether declared or not).

- 15.1.2 A riot, civil commotion, or civil uprising other than one occurring amongst EGYPTROL's employees.
 - 15.1.3 Earthquake, flood, tempest, hurricane, lightning, or other natural disaster including epidemic.
 - 15.1.4 Any fire of major proportions or explosions.
 - 15.1.5 A strike, lockout, or other industrial disturbance.
- 15.2** If there occurs an event constituting Force Majeure that hinders the Services for fifteen (15) business days, either party shall give written notice to the other party within fifteen (15) business days of the occurrence or as soon thereafter as is practicable, including a statement describing the effect of such occurrence upon the performance of this Agreement.
- 15.3** In the event of a Force Majeure, EGYPTROL, unless otherwise directed by OWNER in writing, within thirty (30) business days of the occurrence of the Force Majeure event, shall continue to undertake and perform the duties set forth in this Agreement as far as is reasonably practicable. If performance is impracticable, the performance may be suspended during the continuance of such inability; and if such inability should be removed, EGYPTROL shall resume the prosecution of the Services with all reasonable dispatch.
- 15.4** Notwithstanding anything in this Agreement to the contrary, EGYPTROL may, at OWNER's cost, evacuate its Employees or property of such employees to the nearest place or places as may be deemed safe by EGYPTROL should a Force Majeure situation, in EGYPTROL's opinion, endanger such employees or property.
- 15.5** If a Force Majeure event affects the duration of the Services or EGYPTROL's costs, this Agreement shall be extended by a period equal to that for which EGYPTROL was prevented from performing, and an amendment of this Agreement shall be issued in writing and signed by OWNER and EGYPTROL.
- 15.6** If a Force Majeure event lasts for more than seventy-five (75) calendar days after notice issued by either party in writing, either party may terminate this Agreement, and the provisions for termination for convenience, as set forth in Section 21.3, shall apply

ARTICLE 16: LIABILITY

16.1 Risk of Loss

Owner shall own and bear all risk of loss with respect to any equipment or other property on the Premises, and any personal injury or death of Owner personnel or property damage caused by such equipment or other property shall be the sole responsibility of Owner, except personal injury or death of Owner personal and any equipment or other property damage arising due to fault of EGYPTROL, EGYPTROL shall bear its risk of loss in accordance to Article 13 and 16.3.C.

16.2 Manner of Performance

EGYPTROL shall perform the Services in an efficient, economic and through manner, in accordance with Prudent Utility Practices and the terms of this Agreement.

16.3 Limitation of Liability

a) No employee of either party shall be charged personally to the other party under any term or provision of this Agreement because of any breach or because of its or their execution or execution.

EGYPTROL shall compensate Owner for any loss or damage caused due to the acts of malfeasance, malfeasance of EGYPTROL employees.

Owner shall compensate EGYPTROL for any loss or damage caused due to the acts of malfeasance, malfeasance of Owner's employees.

b) Notwithstanding any other provision of this Agreement, neither party nor its subcontractors shall be liable to the other party, for consequential or in direct loss or damage including loss of energy revenues, loss of profit, cost capital, increased operating costs or any other incidental damages.

c) Except in case of gross negligence, EGYPTROL total aggregate liability to Owner on all claims of any kind whatsoever shall not exceed its total contract management fees paid by Owner. EGYPTROL total liability as set forth above shall be reduced by the amount of any insurance proceeds paid to EGYPTROL or Owner with respect to

the event creating such liability to the extent such insurance proceeds may be used to satisfy EGYPTROL liability to Owner.

The above liability cap shall not apply to liability associated with EGYPTROL gross negligence.

ARTICLE 17: TERM AND TERMINATION

17.1 Term

The Operation and Maintenance Services shall be for a period of two years counted from the date of EGYPTROL takeover of the Plant, after the Mobilization Period. It shall be automatically renewed for another period of three years with the same conditions and prices, unless the Owner finds that the performance of EGYPTROL does not fulfill the purposes (targets) of this Agreement.

17.2 Termination

17.2.1 Termination by EGYPTROL
EGYPTROL may terminate this Agreement upon event of default as provided in Article 18.1.

17.2.2 Termination by Owner
Owner may terminate this Agreement upon:

- a) Dissolution, bankruptcy, or insolvency of EGYPTROL.
- b) Event of Default as provided in Article 18.2
- c) Force Majeure to cause EGYPTROL to stop operating the Plant over six (6) months.

17.2.3 Termination Procedure
The party who has the right of termination will serve a notice of termination (the "Termination notice") to the other party and will specify in reasonable detail the circumstances, which gave rise to the Termination Notice and the effectiveness date of this notice.

17.2.4 Effect of Termination
Upon termination of this Agreement and payment by Owner to EGYPTROL, or, as the case may be, by EGYPTROL to Owner, of all amounts due under this Agreement, neither Party shall have further

responsibility to the other party except that the obligation to indemnify under Article 14, of confidentiality under Article 20 and provisions relating to dispute and arbitration under Article 19 shall survive such termination.

17.2.5 Successor to EGYPTROL

Upon receipt of a Termination Notice from Owner:

- a) EGYPTROL shall use all reasonable endeavors so as not to disrupt the normal operation and maintenance of the Plant.
- b) Promptly after termination, EGYPTROL shall deliver to Owner all books, records, inventories and property in its possession relating to the Plant.
- c) Handing over the plant in satisfactory condition to the Owner.

17.2.6 Co-Operation following Termination

EGYPTROL will, upon termination of this Agreement, co-operate with Owner upon Owner request and comply with all reasonable requests thereof including the execution of documents and other actions. Owner shall compensate EGYPTROL actual cost for the above co-operation to EGYPTROL.

17.2.7 Payment to EGYPTROL

- a) If Owner terminates this Agreement pursuant to Article 17.2.2 (c). Owner shall promptly compensate EGYPTROL for the following amounts;
 - All actual costs and expenses in connection with demobilization of this Agreement.
 - All other payments which become due to EGYPTROL in performance of this Agreement till the date of termination.
- b) if EGYPTROL terminates this Agreement pursuant to Article 17.2.1, Owner shall promptly compensate EGYPTROL for the following amounts;
 - All actual costs and expenses in connection with demobilization of this Agreement.
 - All other payments which have become due to EGYPTROL in performance of this Agreement till the date of termination.

17.2.8 Payments to Owner

If Owner terminates this Agreement pursuant to Article 17.2.2 (a) and (b), EGYPTROL shall promptly compensate Owner for reasonable costs and expenses in connection with the transfer- of the operation and maintenance of the Plant, including all out of pocket expenses and legal fees, within the range of Contract Performance Guarantee in Article 12.

17.3 Transition Period Following Termination

In the event of termination of this Agreement by either party for any reason, Owner shall have the option to specify a transition period, not less than 30' days and not more than 180 days, during which the parties shall cooperate to effect an orderly transition of operation and maintenance responsibilities from EGYPTROL to Owner.

The transition period shall commence immediately upon the termination of this Agreement and shall continue until the end of the transition period specified by Owner.

During the transition period, EGYPTROL shall continue to act all respects in accordance with this agreement as if the Agreement had not been terminated and Owner shall continue to pay EGYPTROL all amounts due to EGYPTROL as provided in this Agreement.

ARTICLE 18: EVENTS OF DEFAULT

18.1 Events of Default by Owner: Owner shall be in Default under this Agreement upon the happening or occurrence of any of the following events or conditions, each of which shall be deemed to be an "Event of Default" for purposes of this Agreement:

- a) Owner fails to pay any sum due hereunder when due and has not cured such failure within sixty (60) Business Days after written notice from EGYPTROL specifying the amount due.
- b) Owner or Owner's employees damage or otherwise interfere with the operation of the Plant through their gross negligence or willful misconduct.

- c) Any representation or warranty made by Owner under Article 2.2 is proven to be incorrect in any material respect when made.
- d) Owner's existence is terminated or its business is discontinued.
- e) Any permit, certificate, approval, acceptance, order, certification, license, consent or variance unreasonably withheld by Owner that is necessary for EGYPTROL to perform its obligations hereunder.
- f) The commencement by Owner of a voluntary case or proceeding under any applicable bankruptcy, insolvency, reorganization or other similar law or any other case or proceeding to be adjudicated as bankrupt or insolvent.
- g) The commencement of an involuntary case or other proceeding against Owner seeking liquidation, reorganization or other relief with respect to it or its debts under any applicable bankruptcy, insolvency, reorganization or similar law now or hereafter in effect.

18.2 Events of Default by EGYPTROL: EGYPTROL shall be in default under this Agreement upon the happening or occurrence of any of the following events or conditions, each of which shall be deemed to be an "Event of Default" for purposes of this Agreement:

- a) EGYPTROL breaches or fails to observe or perform, in any material respect, any of EGYPTROL obligations, covenants, conditions, services or responsibilities under this Agreement.
- b) EGYPTROL is dissolved or its business is discontinued.
- c) Any representation or warranty made by EGYPTROL under Article 2.1 shall prove to be incorrect in any material respect when made.
- d) Any permit, certificate, approval, acceptance, order, certification license, consent or variance unreasonably withheld by EGYPTROL that is necessary for Owner to perform its obligations hereunder.
- e) The commencement by EGYPTROL of a voluntary case or proceeding under any applicable bankruptcy, insolvency, reorganization or other similar law or any other case or proceeding to be adjudicated as bankrupt or insolvent.

- f) The commencement of an involuntary case or other proceeding against EGYPTROL seeking liquidation, reorganization or other relief with respect to it or its debts under any applicable bankruptcy insolvency, reorganization or similarly now or hereafter in effect.
- g) Gross negligence of EGYPTROL or any of its employees and/or misconduct.
- h) Failure of EGYPTROL to meet the specified obligations stated in Article (11) for one year.

ARTICLE 19: DISPUTE AND ARBITRATION

19.1 Submittal to a Third-Party Neutral Advisor

The Parties execute this Agreement in the spirit of mutual cooperation and good faith. If a dispute should arise between the Parties, representatives of the Parties with decision-making power agree to meet promptly to attempt in good faith to amicably settle such dispute.

If within thirty (30) calendar days following such meeting, the Parties are unable to resolve the dispute, they will appoint a mutually agreeable neutral person not affiliated with the Parties to aid them in resolving the dispute (the “Neutral”). If the Neutral has not been selected within one (1) month, then, at the request of any Party, the President of the Cairo Regional Center for International Arbitration will appoint the Neutral.

The Parties agree to participate in good faith in making use of the Neutral until resolution of the dispute or until impasse, which in no event shall occur more than three (3) months from the date of commencement of the above procedure.

19.2 Submittal to Arbitration

If the dispute has not been resolved within three (3) months of commencement of the procedure, then the dispute shall be finally settled by arbitration in Cairo, A.R.E. at Cairo Regional Center for International Arbitration, in accordance with UNCITRAL Arbitration Rules, as at present in force.

The number of arbitrators shall be three. Each Party shall appoint one arbitrator; the two arbitrators thus appointed shall choose the third arbitrator. Each of the Parties shall appoint their respective arbitrators within thirty (30) calendar days of the delivery of the notice of

arbitration. The two arbitrators thus appointed shall choose the third arbitrator within thirty (30) calendar days after the period specified above. The appointing authority, which shall be the President of the Cairo Regional Center for International Arbitration, shall make such appointment.

The arbitration decision shall be final and binding, and the Parties expressly and unreservedly waive any and all rights to appeal such decision through any ordinary or extraordinary judicial means or through recourse to any other procedure. The arbitration decision, however, may be presented to any competent court having jurisdiction for judicial recognition and enforcement. The costs and expenses of the arbitration panel, including but not limited to the costs of the administration of the arbitration proceeding, shall be borne by the Parties as determined by the arbitration panel, or, failing such determination, shall be shared equally by the Parties.

19.3 Performance During Dispute Resolution Proceedings Arbitration

The performance of this Agreement shall continue during the disputes resolutions proceedings described in Section 21.1 and during the proceedings described in Section 21.2. No payment to be made by or to any of the Parties shall be withheld during the proceedings set forth in this Article 21.0, except those directly related to the controverted issues.

ARTICLE 20: CONFIDENTIALITY

20.1 Confidential Information

In respect of any information concerning the parties which is designated in writing as proprietary and any information disclosed to the other party related to this Agreement which is designated in writing as confidential, the recipient shall not, for a period of five (5) years from the date of its receipt, publish or otherwise disclosed it to others without the prior written.

Approval of other party. Both parties shall at all times use their reasonable endeavors to keep all information regarding the terms and conditions of this Agreement confidential. Accordingly neither party shall disclose the same to any other person.

20.2 Disclosure of Confidential Information

Owner shall be entitled to disclose the terms and conditions of this Agreement and any data or information acquired by it under or pursuant to this Agreement to Owner or any of its Affiliates, or any others agreeable by EGYPTROL and to the extent required.

20.3 Information

EGYPTROL shall:

- a) Make available to Owner without charge such materials, documents and data as would normally be made available to the other Party in connection with the services.
- b) Use all reasonable endeavors to make available such materials and documents and data acquired or brought in to existence by third parties as Owner may reasonably request.

ARTICLE 21: COVENANTS BY EGYPTROL

21.1 Governmental Requirements

21.1.1 Compliance

- a) EGYPTROL shall comply with all laws, ordinance rules, regulations, enactment, resolution and orders of any governmental Agency.
- b) EGYPTROL shall procure and obtain from all governmental Agencies having jurisdiction over the operations of EGYPTROL and shall maintain in full force and effect throughout the Term all licenses, certificates, permits or other authorization which may be necessary for the conduct of such operations.
- c) The obligation of EGYPTROL to comply with requirements of Government Agencies is provided herein for the purpose of assuring proper safeguards for the protection of persons and property at the Plant and on the Premises.

21.2 Various Obligations of EGYPTROL

21.2.1 Noise, Safety, etc.

- a) And proper manner, considering the nature of such operations, so as not to unnecessarily annoy, disturb or be offensive to others on or off the Premises.
- b) EGYPTROL shall conduct all its operations at the Plant in accordance with Prudent Utility Practices.
- c) From time to time and as often as reasonably required by Owner, EGYPTROL shall conduct pressure, water flow and other appropriate tests of the fire extinguishing system and apparatus located at the Plant.

21.2.2 EGYPTROL shall comply with all environmental laws and rules issued from time to time.

ARTICLE 22: TAXES

22.1 If any corporate income tax or personal income tax should be assessed by the Government of (Country Name) or any competent state against EGYPTROL or its employees, such taxes shall be borne and paid by EGYPTROL.

22.2 EGYPTROL shall pay all taxes including but not limited to levies, duties, fees fiscal stamp, labor income tax, social insurance, corporate tax, and whatsoever other taxes imposed under the laws of (Country Name). Except sales. Tax and cost duties for procured material which becomes Owner's property, with respect to the works performed under the Contract.

22.3 Owner and EGYPTROL shall cooperate with each other and use their best efforts to minimize their respective tax liabilities.

ARTICLE 23: ASSIGNMENT AND SUBCONTRACT

23.1 Assignment

EGYPTROL will not, without the written approval of the Owner, in any way assign or transfer any part of the Agreement.

23.2 Subcontract

Except as respects EGYPTROL subcontracts to its affiliated entities, it shall not subcontract any part of the services without the prior written approval of the Owner.

Any subcontracting or approval thereof will not affect EGYPTROL liability and responsibility. In such subcontracting, which may be approved, EGYPTROL will remain responsible to the Owner for due and proper performance of the contract.

ARTICLE 24: MODIFICATIONS

If it become necessary or desirable to modify this contract in a manner not materially affecting the substance thereof, or to take changes by altering, adding or deducting from the work, or to add correlated work not previously covered by the contract to the work to be performed under the contract, by an order to the EGYPTROL in writing ordering such changes to be made, the changes shall be made accordingly, provided that in cases where such changes increase or decrease the cost of the work for which such increase is not due to the Owner's right to approve the work, the contract price shall be adjusted under a supplemental order as hereinafter provided.

If any change order as aforesaid or any event beyond the EGYPTROL control causes a substantiated increase or decrease in the cost and/or duration of the performance of the contract, a mutually agreed equitable adjustment shall be made in writing modifying the following items, as applicable, contained in the contract: the completion date(s) and the Total Compensation Ceiling.

In case of a change order, the Management Fee shall also be adjusted by an amount equal to 15% of the portion of cost of the change.

No extra work or change shall be made unless in pursuance of a written order from the Owner authorizing the extra work or change, and no claim for an addition to the contract shall be valid unless so ordered.

Any modification of this contract shall be of no effect unless set out in writing, dated and signed by the authorized personnel of the parties hereto.

ARTICLE 25: MISCELLANEOUS

- 25.1 Amendments:** No amendment or modification of the terms of this Agreement, any exhibits, or schedules thereto shall be binding on either EGYPTROL or Owner unless consented in writing and signed by both parties.
- 25.2 Benefits of Agreement:** All of the terms and provisions of this Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and permitted assigns. This Agreement is for the sole benefit of the Parties and is not for the benefit of any other third Party.
- 25.3 Entire Agreement:** This Agreement contains the complete agreement between the Parties with respect to the matters contained herein and supersedes all other agreements, whether in writing or oral, with respect to the matters contained therein.
- 25.4 Counterparts:** This Agreement may be executed in any number of counterparts, and each counterpart hereof shall be deemed to be an original instrument, but all such counterparts together shall constitute but one agreement.
- 25.5 Interpretation:** All captions, indices, titles, subject headings, section titles and similar items are provided for the purpose of reference and convenience and are not intended to be inclusive, definitive or to affect the meaning, content or scope of this Agreement.
- 25.6 Governing Law:** This agreement shall be governed by, and construed in accordance with the laws of (Country Name) and the Arab Republic of Egypt.
- 25.7 Severability:** If any provision or condition of this Agreement is prohibited or rendered invalid, such prohibition or invalidity shall not affect the validity or enforceability of any other provisions and this Agreement.