

Consortium Agreement

This Consortium Agreement (CA) is concluded at Tehran, Iran on May 24, 2017 by and between:

SEPCO Electric Power Construction Corporation (SEPCO), a company registered in Peoples Republic of China with its central office at Tower A of Chengcheng Building, No. 10567, Jingshi Road, Jinan, Shandong, China represented by Mr. Yin Shiji as Vice President (hereinafter called as "SEPCO");

and

CPECC EastChina Design Branch ("CEI") with registered office at No.2 Huayan Road, Qingdao, Shandong, China and principal place of business at No.2 Huayan Road, Qingdao, Shandong, China, registered with the Commercial Registry of 91370200561176225B, herein represented by Mr. Li Xueyun, acting as the Deputy General Manager(hereinafter called as "CEI");

and

Tehran Jonoob Technical & Construction Co. (TJ), a company registered in I.R. Iran with its central office at No. 63, Khodami Street, Vanak Square, Tehran, Iran represented by Mr. Morteza Razavi as Vice Chairman (hereinafter called "TJ").

SEPCO, CEI, and TJ are hereinafter referred to individually as **Party** and collectively as **Parties**.

Whereas:

1. Anahita Oil Refining Company (**ANORC**), a company organized and existing in Islamic Republic of Iran (hereinafter called as "**CLIENT**") intends to construct a grassroots Oil Refinery with the capacity of 150,000 bpd to produce main oil products with the EU-5 specifications and utilizing the most up-to-date technologies in EPCF scheme (hereinafter called "**PROJECT**").
2. SEPCO is in the position to support the ANORC to secure financing for the Project as well as to implement the Project.
3. TJ is a top ranked general contracting company in Iranian industry who intends to participate in Project together with SEPCO.
4. CEI is a top Chinese engineering company in oil refinery field who intends to participate in the Project together with other Parties.
5. The Parties represents that they have the required technical / execution capability, the human resource, machinery, equipment and are desirous to cooperate in the above mentioned Project.
6. The Parties has signed an MOU on February 20th, 2017 to define their cooperation and start the negotiation with ANORC. The Parties has also signed with ANORC a Memorandum of Agreement (MOA) dated April 12th, 2017 and a Heads of Agreement (HOA) dated April 24th, 2017.
7. Based on MOU and HOA, and negotiations made with ANORC, the Parties shall sign a Consortium Agreement when the Project is secured.
8. ANORC intends to provide Sovereign Guarantee through Iranian Government, the parties shall follow the framework and regulation already agreed between CBI and Chinese banks which insured by SINOSURE.

Now therefore, based on the above mentioned premises the following decisions have been made mutually:

1. PURPOSE

- 1.1. The purpose of this CA is to establish a Consortium between the Parties, the detailed terms and conditions under which they shall carry out the Project and otherwise fulfill their obligations to the ANORC.
- 1.2. In no event shall the Parties consider the Consortium and this CA to be, nor in any way act as though it were, a corporation, partnership or any other form of entity having any independent legal personality whatsoever.
- 1.3. This CA and the Consortium are not intended nor shall be interpreted as any permanent agreement to develop or undertake any project, business or activity other than this Project.

2. EXCLUSIVITY

- 2.1. The Members shall fully cooperate with each other, on mutual exclusive basis, with respect to the Project during the terms of this CA and act at all times in such a way as to further facilitate the common interests of the Parties.
- 2.2. The Parties shall not directly or indirectly collaborate or make any other agreements or arrangements or have discussions or negotiations with any third parties related to the structure of the Consortium, except with the consent of the other Party.
- 2.3. Except as provided above, nothing in this CA shall be construed as a limitation upon the power or rights of any Party to carry on its separate business, for its sole and exclusive benefit, provided such business is not in conflict with the Project, or this CA.

3. PROJECT EXECUTION

- 3.1. In accordance with the HOA, Project will be executed in two stages. The Early Work stage starts from effective date of HOA. In the Early Work stage, Consortium shall be responsible for the works as described in Attachment 1 of HOA during which the financing will be prepared and EPC Contract ("EPC Contract") will be finalized.
- 3.2. The EPC Stage starts from the effective date of the EPC Contract. In the EPC Stage, the Project will be implemented on EPC scheme considering the financing which will be finalized and agreed between ANORC and financing institute in the Early Work stage.

4. SCOPE OF WORK

- 4.1. After signing this CA, the Parties shall be bound towards each other to fulfill the execution of the Project based on their Scope of Work.
- 4.2. The split of scope of work for each Party shall be as follows:

In the Early Work stage:

SEPCO: Overall Management of Project, Financing administrative works and facilitating, Parts of Engineering Works (Basic/FEED), Development of Cost Books in Engineering and Foreign Procurement.

CEI: Overall Management of Engineering Works (Basic/FEED), Cooperation Development of Cost Books in foreign Procurement

TJ: Part of Engineering Works (Basic/FEED), Development of Cost Books in local Procurement and Construction.

In the EPC Stage:

SEPCO: Overall Management of Project



CEI: Overall Management of Detail Engineering Works, Assist in procurement services for technical evaluation / selection of vendors

TJ: Management of Local Procurement, Construction Management and Field Engineering.

The above scope is not the final and subject to the FEED completion and subject to party's financial strength and work load.

The split of scope of work and a matrix of responsibilities between Parties for EPC Stage shall be finalized and optimized within two months after the completion of FEED and before the signature of the EPC Contract.

- 4.3. The Parties shall be jointly and severally responsible for the proper and timely performance of the Project, including any warranties and guarantees required by the EPC Contract and shall assume all responsibilities for the technical, commercial and financial risks of the Project pertaining thereto in full conformance with the requirements of the EPC Contract.
- 4.4. The Parties shall not be liable towards each other for any indirect and/or consequential loss or damages, as well as for loss of profit, loss of contract, loss of product, loss of revenue, loss of business opportunity and the like in any manner arising from the execution of this CA.
- 4.5. No claim shall be allowed between the Parties for loss of or damage to and for injury to or death of the respective Party's property and personnel, whatever be the generating event.
- 4.6. Each of the Parties agrees to place at the disposal of the Consortium, as directed by the Project Management Board (PMB), the benefit of all its experience, technical knowledge and skill and shall in all respects bear its share of responsibility and burden of completing the EPC Contract including the provision of information, advice and assistance for the execution of the Work.
- 4.7. Each Party shall be liable for all matters relating to its Scope of Work, suppliers and subcontractors.

5. PROJECT MANAGEMENT BOARD (PMB)

- 5.1. In accordance with MOA, the Consortium shall nominate and introduce three members of Steering Management Committee. Each Party shall nominate one member. The Steering Committee will facilitate the cooperation of the Technical / Commercial matters between ANORC and Consortium. The Steering Management Committee shall have six members, three from ANORC and three from Consortium.

- 5.2. In the EPC Stage and to facilitate the handling of critical matters and questions in connection with Consortium's performance of the EPC Contract, a Project Management Board (PMB) shall be chosen from the Consortium's project management team once established. The Parties shall introduce their representatives and alternatives within 10 days after signing date of EPC Contract. If any Party doesn't introduce such representatives, the other Party will hold the PMB meetings and the approvals shall be valid and in full force for all.

Either Party may at any time change its Designated Representative or Alternate by filing with the other Party a written notice. The Alternate Representatives shall serve only when the Designated Representative are absent or unable to serve.

- 5.3. The PMB members shall meet on a quarterly basis or more frequently as required or as requested by any member of PMB, subject to fourteen (14) days notice to act on matters within the mandate of PMB. Such meetings shall be in person or by telephone. A resolution signed by all members of PMB shall be as valid as if it has been passed at a meeting of PMB.
- 5.4. The Parties agree that all decisions of the PMB shall take the majority opinion. In case the PMB member is unsatisfied with the majority decision, the matter in question may, at the election of

either PMB member, be referred to top management of each Party for resolution. In the event that top management shall fail to reach unanimous agreement within forty five (45) days of the disputed matter being submitted to them, such issue shall be settled in accordance with Clause 17.

- 5.5. Every decision of the PMB upon any of the matters referred to in accordance with this CA shall be final and binding upon the Parties.
- 5.6. If neither the Designated Representative of a Party nor his Alternate attends a duly convened meeting of the PMB, the meeting shall be adjourned and requested again giving notice as aforesaid.
- 5.7. All negotiations made at the meetings of PMB shall be recorded in suitable minutes by the Leader and signed by all members of PMB at the end of each meeting.

6. LEADER

- 6.1. SEPCO is hereby designated as the Leader of Consortium. The Leadership shall have no cost to the Consortium. The Leader shall have supervision over the timely and satisfactory performance of the Early Work Stage and of the EPC Stage.
- 6.2. The LEADER shall be the single contact point of Consortium with ANORC and all correspondence to or from ANORC shall accordingly be addressed to or received by LEADER. The LEADER shall provide to other Party all information / correspondence received from ANORC in relation to the Project.
- 6.3. The other Party shall timely transmit to the LEADER their remarks and arguments and have the right to participate in meetings/negotiations with the ANORC.
- 6.4. All consortium members and subcontractors shall prepare and submit weekly and monthly progress report together with all necessary supporting data to Leader whom subsequently will prepare an overall project progress report for project management internal review and further action and for Client review and comments.

7. ORGANIZATION and PROJECT PERSONNEL

Early Work Stage

- 7.1. The Consortium organization chart for Early Work Stage showing which positions are occupied by which Party is defined in Attachment 1 to this CA. SEPCO shall designate the Project Manager.
- 7.2. Each Party agrees that it shall supply and make available to the Project Manager such of its supervisory, managerial and other personnel as shall reasonably be required in order to successfully perform the Early Work Stage in accordance with Attachment 1 of HOA. Such employees shall remain in the employment of the particular Party and shall not be employees of the Consortium but shall cooperate with and serve under the authority of the Project Manager.
- 7.3. The Parties shall within one week after signing of this CA, prepare and agree on a detailed organization chart which define the job description of each position in the chart and also the cost and invoice procedure in the Early Work Stage.
- 7.4. The Parties agreed that the Early Work Stage activities shall be managed and executed in an Office in location(s) agreed by both Parties. However, each Party shall bear the costs of transportation and accommodation of its personnel.

EPC Stage

- 7.5. The Parties shall agree on a detailed organization chart for the EPC Stage during the finalization of EPC Contract.

- 7.6. Each Party shall have available seats to all software which the other Party is using in engineering of the Project. However, any software of each Party shall be under management of same Party in the region/offices where the software is authorized to be used.

8. FINANCING, PAYMENTS AND BANKING

Early Works Stage

- 8.1. During the Early Works Stage, the Parties shall fully cooperate with each other and with ANORC in order to facilitate and make the financing operative.
- 8.2. Within 15 days after negotiation and agreement with nominated engineering subcontractors, the Parties shall also agree on the detail costs and invoicing of the Early Works Stage related to each Party. After which, the price of whole Early Works Stage shall be negotiated and agreed with ANORC.

EPC Stage

- 8.3. The Parties shall agree on the method of payments and banking in accordance with the procedures, rules and regulations of financing institute during the finalization of EPC Contract.
- 8.4. All invoicing preparations shall be carried out by Consortium according to the split of work between Parties including all required supporting documents, evidences, etc. and submitted to Project Manager. The Parties have to do their best to ensure smooth operation by providing valid documents in a timely manner.
- 8.5. The Project Manager shall submit each invoice to ANORC, and shall expedite the invoicing procedure in order to receive the related amount as soon as possible. However, the rules and regulations of financing institute shall be followed.

9. BANK GUARANTEES AND INSURANCE

- 9.1 All the Guarantees required for the Project shall be borne and provided by Parties respectively
- 9.2 The Project Manager shall coordinate the placement of insurance on behalf of the Consortium as required under the EPC Contract. The type and amount of insurance shall meet the insurance requirements set forth in the EPC Contract.

10. TAXES & SOCIAL SECURITY ORGANIZATION PREMIUMS

- 10.1 Any Taxes, duties, VAT, Social Security (SSO) premiums, fees levied on or due by each Party in any country for the performance of the EPC Contract shall be borne by the said Party. Each Party shall be separately responsible for any taxes / premiums levied on its receipts either from the Consortium or otherwise incurred of whatsoever description and shall indemnify the other Party in respect of its liability thereof.
- 10.2 VAT applied on the invoices submitted to ANORC by Consortium shall be paid by ANORC.

11. FORCE MAJEURE

- 11.1 Neither Party shall be in breach of this CA if, and to the extent, and for so long as, its performance of any obligation hereunder (other than the payment of any monies due in this CA) is hindered or prevented due to the occurrence of an event or events or circumstances which are beyond the reasonable control and without fault or negligence on the part of the Party claiming the benefit of force majeure and which, despite the exercise of all due diligence and

reasonable foresight on the part of the said Party, the said Party is unable to anticipate, prevent or provide against, which events or circumstances are hereinafter referred to as "Force Majeure". However, It shall also be in compliance with the stipulations in EPC CONTRACT.

12. TERMINATION

12.1 This CA shall come into effect as of the date first mentioned above and shall, unless earlier terminated in accordance with its terms, remain in full force and effect until the later date of:

- a) The fulfillment of all obligations under this CA and the EPC Contract, including warranties; and
- b) The full and final settlement of all accounts and disputes in respect of this CA and the EPC Contract, if any, among the Parties and between the Parties and ANORC.

12.2 This CA shall be terminated if any of the following occurs:

- a) ANORC officially announced, at the Early Works Stage, that it does not intend to continue the Project for any reason whatsoever.
- b) One of the Parties becomes bankrupt or insolvent, or makes an assignment for the general benefit of its creditors, or is unable to pay its debts as they become due or has a trustee, liquidator, receiver or a receiver appointed to its assets or any part thereof, or commits an act of bankruptcy;
- c) If the EPC Contract is terminated by the ANORC pursuant to the provisions of the EPC Contract;
- d) The EPC Contract is not awarded to the Consortium.
- e) If the debt financing shall be arranged from China, and Sinasure or Chinese banks can not accept such consortium agreement, this CA shall be terminated and CEI and TJ shall work as SEPCO's preferred subcontractors.

12.3 In the event described in Item 12.2 (b) above, this CA shall immediately upon such occurrence cease and terminate. The successors, receivers, trustees, or other legal representatives of such Party shall cease to have any interest in this CA. In such event the Parties shall negotiate with ANORC to continue and complete the EPC CONTRACT and this CA.

12.4 In the event described in Article 12.2 (c) above, this CA shall immediately upon such occurrence cease and terminate.

12.5 Any termination of this CA for whatever reason, shall not remove or diminish or be deemed to remove or diminish any right or relieve any obligation of either Party under this CA which arose prior to the effective date of termination.

12.6 In order that the Parties may fully exercise their rights and perform their obligations under this CA, such provisions of this CA as are required to ensure said exercise shall survive the termination of this CA.

13. DEFAULT OF A PARTY

13.1 The Party that delays or fails to fulfil its obligations in whole or in part under the C.A. shall be deemed in default (the "Defaulting Party"). If the ANORC terminates the EPC CONTRACT because of the default of Consortium, the Parties shall negotiate immediately to identify the member who has caused the termination.

13.2 Any Defaulting Party shall indemnify and hold harmless the Non-Defaulting Party for any loss, claims, penalties or liabilities that the Non-Defaulting Party may incur arising out of the consequences including termination of EPC CONTRACT by the Defaulting Party. The Defaulting Party further agrees to pay all legal expenses required of by the Non-Defaulting Party to protect

its interests or defend any action arising out of the Defaulting Party's default, including court costs and disbursements and fees on a solicitor and his own client basis.

- 13.3 The remedies herein provided shall be in addition to and shall not limit any remedies the Non-Defaulting Party may have at law or otherwise.

14. CONFIDENTIALITY

- 14.1 A Receiving Party shall maintain all technical data, know-how, designs, processes, drawings, specifications, documents and other information of any kind relating to the Project and disclosed to the Receiving Party by the other Party (the "Disclosing Party") or developed by the Receiving Party based on such information during the preparation of the Project (hereinafter called "Confidential Information") in complete confidence, and shall use it only for the purposes of CA. Receiving Party shall not, without Disclosing Party's prior written consent, divulge Confidential Information to anyone other than Receiving Party's employees, agents, Subcontractors and Vendors who require it for the performance of Project. Receiving Party shall use its best efforts to ensure that all persons who have access to Confidential Information comply with these confidentiality and restricted use obligations.

- 14.2 Section 14.1 does not apply to information which:

- a) At the time of disclosure is or thereafter becomes within the public domain other than by reason of Receiving Party's breach of this CA;
- b) Prior to disclosure was already in Receiving Party's possession without violation of any confidentiality obligations to Disclosing Party, or to others, either directly or indirectly;
- c) Subsequent to disclosure is obtained by Receiving Party from a Third Party who is lawfully in possession of such information and which information is not subject to a confidentiality obligation with Disclosing Party, or others.

Specific information will not be deemed to be within the foregoing exceptions merely because it is embraced by more general information in the public domain or in the possession of Receiving Party. Any combination of features will not be deemed to be within the foregoing exceptions merely because individual features are in the public domain or in the possession of Receiving Party if the combination itself and its principle of operation are not in the public domain or in the possession of Receiving Party.

- 14.3 No right or license is granted, nor shall be construed to be granted, by Disclosing Party to Receiving Party in respect of Confidential Information disclosed hereunder.
- 14.4 Receiving Party shall return to Disclosing Party upon demand any and all written documents containing Confidential Information and Receiving Party shall not copy or reproduce in whole or in part such documents except as may be necessary for legal archive purposes or for the performance of CA, without the express written approval of Disclosing Party.
- 14.5 It is understood and agreed by the Parties hereto that Receiving Party's computer systems may automatically back-up Confidential Information disclosed to it under this CA. To the extent that such computer back-up procedures create copies of Confidential Information, Receiving Party may retain such copies in its archival or back-up computer storage for the period it normally archives backed-up computer records. These computer copies shall be subject to the provisions of this CA until the same are destroyed, and they shall not be accessed by Receiving Party during such period of archival or back-up storage.
- 14.6 Receiving Party hereby expressly acknowledges Disclosing Party's representation that Disclosing Party considers that it will be irreparably injured by a breach of these confidentiality provisions by Receiving Party. As such, Receiving Party hereby expressly acknowledges and agrees that

Disclosing Party shall be entitled to seek equitable relief against Receiving Party, including but not limited to injunctive relief and specific performance in the event of any such breach, or anticipatory breach made known to Disclosing Party, of these confidentiality provisions.

- 14.7 Each Receiving Party agrees to indemnify and hold each Disclosing Party harmless from and against any and all losses suffered or incurred by a Disclosing Party arising out of or from any breach of these confidentiality provisions.
- 14.8 The covenants of non-disclosure and restricted use of Confidential Information shall survive the expiration or termination of this CA, be it actual, implied, constructive or otherwise and shall remain in force for a period of ten (10) years after the signing of this CA or such longer time frame as may be stipulated under any license or other agreement pursuant to which such Confidential Information has been communicated to Receiving Party.
- 14.9 The obligations set out in this Clause are in addition to, and not in substitution of:
- a) any confidentiality agreement entered into by the Parties prior to or after the execution of this CA; and
 - b) Confidentiality obligations set forth in the EPC Contract.

15. PUBLIC ANNOUNCEMENTS

- 15.1 No public announcement(s), with respect to this CA or the Consortium or the Project or the ANORC shall be made or released without the prior unanimous written approval of the Parties and the ANORC both as to the fact of an announcement and as to the nature and content thereof.

16. BUSINESS ETHICS AND COMPLIANCE WITH THE LAW

- 16.1 The Parties declares and warrants to the other Party that it shall execute its obligations under this CA in full compliance with applicable laws and regulations, as well as with the principles of common business ethics and good faith. All of the Parties shall strictly comply, in connection with their performance under this CA, with all of the applicable provisions regarding anti corruption laws.
- 16.2 Each of the Party warrants that it will indemnify the other party against all legal liabilities arising out of or in connection with the performance of its obligations under this Consortium Agreement.
- 16.3 The Parties further agree:
- a. that none of the Parties will force the other one to violate its own business code of ethics;
 - b. to require all of their employees and sub-contractors involved in the PROJECT to comply with the code of ethics of both Parties; and
 - c. to use all reasonable efforts to establish internal procedures designed to ensure (i) compliance with the Acts by its employees, agents, consultants, sub-contractors and representatives; and (ii) that the engagement of any agent or intermediary and any payment to an employee, agent, intermediary, consultant or contractor is subject to proper authorization and is accurately recorded in the books and records.

17. GOVERNING LAW AND DISPUTES

- 17.1 This CA shall be governed by and construed in accordance with the laws of England.

- 17.2 All disputes arising in connection with this CA, including but not limited to validity of this CA and the provisions hereof, if not settled through negotiation between Parties top management, and then not settled through the negotiations of Parties; shall be finally settled in accordance with rules of Singapore International Arbitration Centre .
- 17.3 The seat of arbitration shall be in Singapore administered by the Singapore International Arbitration Centre . The tribunal shall consist of three (3) arbitrators. The arbitration proceeding shall be conducted in English. Arbitration awards are binding, final and to the maximum extent permitted by law, cannot be appealed, and are enforceable by any court of competent jurisdiction. The foregoing governing law and arbitration clauses under this Article 17 shall survive the termination or expiry of this CA. All costs of arbitration shall be borne by the losing Party unless otherwise determined in the arbitrator's award.
- 17.4 The arbitration award rendered pursuant to Sub-clause 17 hereinabove shall be final and binding upon both Parties.

18. CORRESPONDENCE AND LANGUAGE

- 18.1 All correspondence and notice between the Parties shall be sent to the following addresses, by fax or email and confirmed by registered mail to:

SEPCO Electric Power Construction Corporation
Mr. Han Ming, Business Development Manager
Fax: +86 531 55697777
Email: Han.m@sepcos.net.cn

CPECC EastChina Design Branch ("CEI")
Mr. Gao Haifeng, Business Development Deputy Manager
Fax: +86 532 80850090
Email: gaohaifeng@cnpcccei.cn

Tehran Jonoob Technical & Construction Co.
Mr. Hamid Shourabi, Business Development Manager
Fax: +98 21 88 03 54 95
Email: h.shourabi@tehranjonoobco.com

- 18.2 Each Party shall response to the other Party correspondence and notice, where it is required and indicated in the said correspondence and notice, within seven (7) working days.
- 18.3 The Parties shall within one month after signing of this CA, prepare and agree on a Coordination Procedure which will detail the correspondence/notice method between Parties.
- 18.4 Either Party may change its address or contact person by giving ten days prior written notice to the other Party.
- 18.5 The language to be used by the Parties for all communications and correspondence shall be English language.

19. ENTIRE AGREEMENT

- 19.1 The Parties agreed that this CA and its Attachments constitute the entire agreement between the Parties in respect of the subject matter thereof, and supersedes any other agreement between the Parties, written or oral, with respect to the Project.

20. OWNERSHIP AND USE OF DOCUMENTS

20.1 All documents produced for or by each Party shall be owned by the Consortium. All documents shall be stored at a location determined by Project Manager and neither Party shall use these documents for other projects without the prior written consent of the other Party. All Parties shall have access to all documents and information produced in Project. But, neither Party may make duplicate copies of such documents without consent of the other Party.

21. ASSIGNMENT

21.1 Each Party shall not sell, assign or in any manner transfer its obligation or interest in the Consortium, this CA and/or in the EPC Contract to an Affiliate or Third Party.

21.2 For the purpose of this Clause, "Affiliate" shall mean any company in which a percentage of the share capital or voting interests is owned or held directly or indirectly by the interested Party, or which directly or indirectly owns or holds a percentage of the share capital or voting interests in the interested Party.

22. WITHDRAWAL

22.1 No Party may withdraw its participation from this CA unless the other Party gives its written approval. The withdrawing Party shall then refrain from any direct or indirect activity, neither as an independent contractor nor in any form of association, in connection with the Project, as long as the remaining Party is still pursuing the Project.

23. SUBCONTRACTS / VENDORS

23.1 Each Party, subject to prior written agreement of the other Party and acceptance by the ANORC in writing, may subcontract any part of its scope of work.

24. COUNTERPARTS

24.1 This CA may be executed in several counterparts, each of which, when so executed shall be deemed to be an original and all counterparts together shall constitute one and the same instrument.

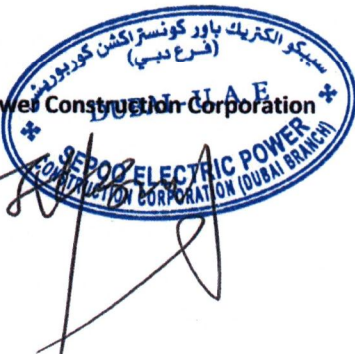
IN WITNESS WHEREOF the Parties have caused their duly authorized representative to sign this Consortium Agreement effective on the date first stated herein:

For and behalf

SEPCO Electric Power Construction Corporation

Yin Shiji

Vice President



For and behalf

Tehran Jonoob Technical & Construction Company

MortezaRazavi

Vice Chairman



For and behalf

CPECC EastChina Design Branch ("CEI")



Li Xueyun

Deputy General Manager



SEPCO
山东电建



CONSORTIUM ORGANIZATION CHART FOR IRAN ANAHITA OIL REFINERY PROJECT

