



MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding ("MOU") is entered into on 20 December 2011 by:

1. the United Nations Development Programme ("UNDP"), a subsidiary organ of the United Nations, an intergovernmental organization established by its Member States with its headquarters in New York, NY (USA); and
2. Shell Iraq Petroleum Development B.V. ("Shell"), headquartered in the Hague and incorporated under the law of the Netherlands,

UNDP and Shell are hereinafter jointly referred to as the "Parties",

WHEREAS:

- A. UNDP, represented by its resident representative in Iraq, is interested in enhancing its development activities in Iraq through; *inter alia*, partnering with the private sector;
- B. Shell has expressed its interest in cooperating with UNDP in areas of mutual interest in Iraq; and
- C. The Parties wish to enter into this MOU, on a non-exclusive basis, to provide a framework of cooperation to promote and support national goals for poverty reduction, environmental protection, economic diversification, small and medium enterprises expansion and responsible business promotion are reflected into the agenda of the local authorities and stakeholders.

NOW THEREFORE, it is agreed as follows:

Article 1 – Areas of Co-operation

This MOU focuses on the following areas of co-operation:

- (i) Increasing the number of local area development activities in the Majnoon area, with a focus on communities located within the wider Basrah province; and

- (ii) Promotion of local business development activities aiming to build local small and medium enterprises capacity, including supporting Training Centre in Basrah City jointly with the local authorities in order to strengthen the private sector in diverse local industries.

Article 2 – Consultation

- 2.1 The Parties shall designate representatives who shall meet regularly, to keep each Party informed of and consult on matters of common interest, review the progress of activities being carried out under the present MOU and to plan future activities. Furthermore, each activity will have project boards comprising project stakeholders which are responsible for management and implementation of the projects.
- 2.2 The Parties are bound by their internal regulations, rules, policies, procedures and principles.

Article 3 – Identification of Activities

- 3.1 When activities are jointly identified, the Parties shall enter into cost-sharing agreements based on the model in the Annex. All activities will be carried out on the basis of project documents agreed between UNDP and the Government of Iraq. Project documents will be annexed to cost-sharing agreements between Shell and UNDP.

Article 4 – Confidentiality

Where appropriate, the Parties will enter into arrangements to safeguard the confidential and restricted character of certain information and documents.

Article 5 – Public Announcements

The Parties hereby agree to coordinate any press announcements and shall not make any press releases about their cooperation without the prior written consent of the other, such consent not to be unreasonably withheld or delayed.

Article 6 – Use of Name and Emblem

- 6.1 Neither Party shall use the name, emblem or trademarks of the other Party, its subsidiaries, and/or affiliates, or any abbreviation thereof, in connection with its business or otherwise without the express prior written approval of the other Party in each case. In no event will authorization of the UNDP name or emblem, or any abbreviation thereof, be granted for commercial purposes, or for use in any manner that suggests an endorsement by UNDP of Shell products or services.
- 6.2 Shell acknowledges that it is familiar with UNDP's ideals and objectives and recognizes that its name and emblem may not be associated with any political or sectarian cause or otherwise used in a manner inconsistent with the status, reputation and neutrality of UNDP.

Article 7 – No Partnership

Neither Party shall be an agent, representative or joint partner of the other Party. Neither Party shall enter into any contract or commitment on behalf of the other Party and shall be solely responsible for making all payments to and on behalf of its own account, as provided under this MOU and under cost-sharing agreements concluded hereunder.

Article 8 – Costs

Each of the Parties shall bear their own costs in relation to this MOU, unless agreed otherwise in a cost sharing agreement.

Article 9 – Term

This MOU shall have duration of four years, but may be early terminated by either Party upon three (3) months written notice.

Article 10 – No financial commitment

Nothing herein shall be construed as an obligation of the Parties to participate in and/or finance any particular project.

Article 11 – Dispute Resolution

Any dispute, controversy or claim between the Parties arising out of this MOU which is not settled amicably shall be referred to arbitration under the UNCITRAL Arbitration Rules then in force. The arbitral tribunal shall have no authority to award punitive damages. The Parties shall be bound by any arbitration award rendered as a result of such arbitration as the final adjudication of any such controversy, claim or dispute.

Article 12 – Privileges and Immunities

Nothing in or relating to this MOU shall be deemed a waiver, express, or implied, of any of the privileges and immunities of the United Nations, including its subsidiary organs.

IN WITNESS WHEREOF this MOU was signed in the manner set forth below.

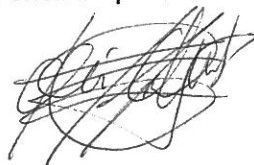
For UNDP



Name: Peter Batchelor

Position: Country Director

for Shell Iraq Petroleum Development B.V.



Name: Diego Perez-Claramunt

Position: Communications Director