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Dated: _____

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CONNECTION AGREEMENT

[Distribution Company]

AND

[Power Generation Company]

Signed at [●]

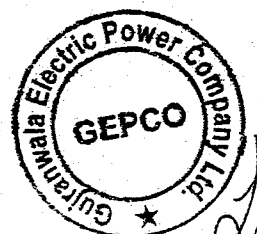


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This Connection Agreement (this "Agreement") is made at the [●] on the [●] day of [●], 2023

BETWEEN

- 1) [●], a public limited company incorporated under the Companies Act, 2017 vide Certificate of Incorporation No. [●] dated [●], with its principal office at [●], Pakistan operating as an electric power distribution company (herein referred to as the "DISCO" which expression shall, where the context so permits, include its successors in interest and permitted assigns);

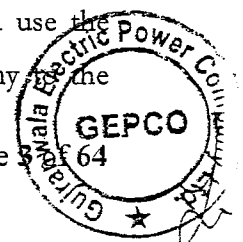
AND

- 2) [●], a company incorporated under the Companies Act, 2017 vide Certificate of Incorporation No. [●] dated [●], with its principal office at [●] and operating as a generation company (herein referred to as the "Generation Company" which expression shall, where the context so permits, include its successors in interest and permitted assigns).

(The DISCO and the Generation Company are hereinafter referred to individually as a "Party" and collectively as the "Parties").

WHEREAS:

- A. The DISCO is operating as a distribution company pursuant to the distribution licence No. [●] dated [●] (the "Distribution Licence") issued to it by National Electric Power Regulatory Authority (the "NEPRA") under Section 21 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (the "NEPRA Act") amended from time to time to engage in the distribution of power electric.
- B. If applicable, the Generation Company is operating its generation facility under a generation licence No. [●] dated [●] (the "Generation Licence") issued to it by NEPRA under Section 14B (previously section 15) of the NEPRA Act or authorized by NEPRA to engage in the generation of electric power.
- C. The licensed Generation Company has applied to the DISCO to connect and use the DISCO Network to inject electric power produced by the Generation Company.



System Operator in accordance with the Grid Code and Distribution Code and pursuant to the DISCO's Distribution Licence the DISCO is required to offer terms in this respect being the distribution network operator.

- D. The Generation Company has applied to the DISCO and conveyed its intention to obtain connection in terms of clause CC [.] of the Distribution Code ¹and furnished the required details stipulated therein.
- E. The DISCO evaluated the intention application and satisfied itself with respect to the requirements of the Distribution Code and Grid Code, and has formally offered to the Generation Company to apply for connection to the DISCO Network.
- F. Upon receipt of the offer, the Generation Company submitted a formal application for connection to the DISCO Network along with the required information and documents stipulated in the Connection Code of the Distribution Code and Grid Code.
- G. The DISCO being the provider of its Distribution Network shall be paid the Use of System Charge or distribution margin in accordance with the regulated tariff determined by the NEPRA or in accordance with the relevant commercial arrangement.
- H. The DISCO evaluated the formal application and satisfied itself with respect to the requirements of section namely Connection Code of the Distribution Code and invited the Generation Company according to clause CC [.] of the Distribution Code to negotiate the terms and conditions of this Agreement.
- I. After compliance with all the procedural requirements of the Distribution Code, the Parties wish to enter into this Agreement.

NOW, THEREFORE, in view of the foregoing premises and in consideration of the mutual benefits to be derived and the representations and warranties, covenants and agreements contained herein, and other good and valuable consideration, the sufficiency of which is hereby acknowledged, and intending to be legally bound, the Parties hereby agree as follows:

¹ Relevant Grid Code clause to be inserted for transmission connected generator

ARTICLE - I DEFINITIONS AND RULES OF INTERPRETATION

1.1 DEFINITIONS

1.1.1 In this Agreement, capitalized terms and expressions shall have the following meaning unless the context otherwise requires:

- 1) “**Act**” or “**NEPRA Act**” means the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (XL of 1997) as amended from time to time.
- 2) “**Authority**” or “**NEPRA**” means the National Electric Power Regulatory Authority established under the Act;
- 3) “**Agreement**” means this Interconnection Agreement, together with all schedules annexed hereto, dated as of the date first written above between the DISCO and the Generation Company, as may be amended, supplemented, restated, novated or replaced, from time to time in writing with mutual consent of the parties;
- 4) “**Applicable Documents**” means the NEPRA Act and the rules, regulations, licences, registrations, directives, codes, standards, guidelines, circulars, orders, determinations, documents, instruments, approvals and authorizations issued or granted from time to time by the Authority in exercise of its powers under the NEPRA Act;
- 5) “**Authority**” means the National Electric Power Regulatory Authority or NEPRA;
- 6) “**Average Sale Rate**” means a rate determined by the Authority for a DISCO in accordance with the Tariff Rules for the sale of electric power within the service territory of a Distribution Company at one point;
- 7) “**Back-Up Metering System**” means all meters and metering devices (including any remote terminal units and an electronic data recording system) provided by the MSP at the cost of the Generator and thereafter operated and maintained by the Metering Service Provider as back-up to the Metering System;
- 8) “**Back-feed Energy**” or “**Back-feed Power**” means the energy consumed by the Generation Company, while the facility is not available or not dispatched;
- 9) “**Bilateral Commercial Contract**” means the agreement executed in accordance with

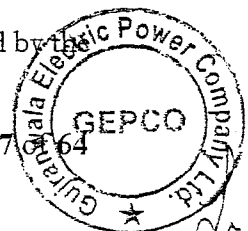
the Market Commercial Code between Generation Company and the [DISCO (Supplier)/ BPC / Trader/Competitive Supplier etc.] for the sale and purchase of defined amount of energy and/or Contracted Capacity for each energy settlement period or capacity settlement period, as the case maybe;

- 10) **“Capacity”** refers to the amount of electric power that a Generation Unit or a Generation Plant has the ability to produce and offer to the market when running at full blast, measured in kilowatts (kW) or multiples of kW;
- 11) **“Certificate of Readiness for Energization”** means the certificate to be issued by the Engineer to the Generation Company and the DISCO, in accordance with terms of this Agreement, stating that, in the professional opinion of the Engineer, the User Interconnection Facilities are ready to be energised;
- 12) **“Code Participant”** means an entity registered with System Operator under the Grid Code or with DISCO under the Distribution Code; if applicable, for the purpose of connection with and use of Distribution and/or Transmission System in accordance with parameters defined in the Grid Code;
- 13) **“Commercial Code”** means the Commercial Code prepared by the Market Operator and approved by the Authority;
- 14) **“Commissioning”** means engaging in testing the Interconnection Facilities in accordance with Commissioning Tests;
- 15) **“Commissioning Tests”** means the tests to be carried out to test the electrical equipment and installations, protection mechanisms and other systems of the Interconnection Facilities in order to verify the proper functioning of these electrical equipment and installations pursuant to the procedures as laid down by the DISCO;
- 16) **“Connection Charges”** means the charges calculated by DISCO, in terms of the forms and criteria approved and as amended from time to time by NEPRA, for carrying out the works of and provisions and installation of, electric lines and circuits and ancillary distribution system together with charges in respect of maintenance and repair of such items in so far as not otherwise recoverable as Use Of System Charges and in respect of disconnection and the removal of electric lines and circuits, and ancillary meters following disconnection, or such, other charges as may be specified in or pursuant to the



distribution licence;

- 17) "**Connection Site**" means the premises where the Generation Interconnection Facilities and DISCO Interconnection Facilities have been installed and described in detail in Schedule-[.] to this Agreement;
- 18) "**Consents**" means all approvals, consents, authorizations, notifications, concessions, acknowledgements, licences, permits, decisions or similar items which is or are issued by a public sector entity and which a Party or any of its Contractors is required to obtain from any public sector entity and thereafter to maintain to fulfill its obligations under this Agreement;
- 19) "**Contracted Capacity**" means the firm capacity of the Generation Company registered with the Market Operator pursuant to the Market Participation Agreement;
- 20) "**Contractors**" means the EPC Contractor, the O&M Contractor and any other direct contractors and any of their direct sub-contractors hired and appointed in accordance with this Agreement;
- 21) "**Day(s)**" means a period of twenty-four (24) hours, commencing at 0000 Hrs. of each day, and "Daily" shall be construed accordingly;
- 22) "**De-Energization**" or **Disconnection**" means switching off any isolator, breaker or switch, including withdrawal of fuse link, whereby no electricity can flow to or from the Generation Interconnection Facilities to the DISCO Interconnection Facilities or vice-versa;
- 23) "**Despatch**" means the despatch of electricity by the System Operator in accordance with the availability confirmation or revised despatch request, as defined in the Grid Code;
- 24) "**Distribution Code**" means the code that defines the technical and operational standards and procedures for the DISCO and all those connected to the distribution system of the DISCO, that has been prepared by the DISCO and approved by the Authority;
- 25) "**DISCO Interconnection Facilities**" means the facilities and equipment owned by the



DISCO, including, without limitation, electrical lines or circuits, transformers, switch-gear, safety and protective devices or meters to be designed, constructed or installed by or on behalf of the DISCO on the DISCO's side of the Interconnection Point at the Connection Site as specified in Schedule [.];

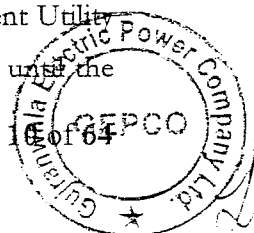
- 26) **"DISCO Interconnection Works"** means all the works and activities to be undertaken by the DISCO required to connect the Entry Point to the Distribution System, as described in [.] of this Agreement;
- 27) **"DISCO Distribution Licence"** means the distribution licence bearing No. [●] dated [●] issued and from time to time modified by NEPRA in the name of DISCO under section 21 of the NEPRA Act and, if applicable, also include deemed function of the selling of electric power under section 23E of the NEPRA Act;
- 28) **"DISCO Network"** means distribution and transmission facilities owned, operated, managed or controlled by a DISCO and used for the movement or delivery of Electric Power;
- 29) **"Dispute"** means any dispute or disagreement or difference arising under or in connection, under this Agreement, arising under, in connection with or relating to this Agreement, including any dispute or difference concerning the existence, legality, validity or enforceability of this Agreement;
- 30) **"Effective Date"** has the same meaning ascribed to it in clause 2.2.1;
- 31) **"Energization"** means switching on any isolator, breaker, switch or the insertion of a fuse link so as to enable energy flow to or from the Generation Company Interconnection Facilities;
- 32) **"Engineer"** means the firm of engineering consultants to be appointed and hired by the Generation Company and DISCO for the purpose of observing the construction of the Interconnection Facilities, the Commissioning Tests and certifying to the Generation Company and the DISCO the results of the Commissioning;
- 33) **"Event of Default"** means a DISCO Event of Default, or a Generation Event of Default, as applicable;

- 34) "Expert" means, in relation to a dispute pertaining to financial matters, qualified chartered account or cost and management accountant, duly registered with the recognized professional body created under the applicable law, having a minimum of twenty years of post-qualification experience in that field; in relation to a dispute pertaining to technical matters, a qualified engineer, duly registered with the recognized professional body created under the relevant law, having a minimum of twenty years of post-qualification experience in that field; and in relation to a dispute pertaining to legal matters, qualified lawyer, duly registered with the recognized professional body created under the relevant law, having a minimum of twenty years of post-qualification experience in that field;
- 35) "Force Majeure Event" shall have the meaning ascribed thereto in Section [●] (*Definition of Force Majeure*);
- 36) "Forced Outage", "Outage" or "Partial Forced Outage" means from and after the Commercial Operations Date, a total or partial interruption of the Generation Company to export electricity, generated by the Generation Facility, through the Interconnection Point or a total or partial interruption of the Distribution Company to receive electricity, generated by the Generation Facility, through the Interconnection Point, including any total or partial interruption that is not the result of:
- (a) A request by the System Operator in accordance with Grid Code,
 - (b) A Scheduled Maintenance Outage,
 - (c) A Force Majeure Event,
 - (e) A condition caused solely by the Grid System, and / or
 - (f) A condition that is caused solely by the Government of Pakistan.
- 37) "Forced Outage Allowance" means the allowance provided to DISCO for the Forced Outage or Partial Forced Outage notified by the DISCO not later than two (2) hours (except in case of an emergency shutdown) prior to the relevant hour shall not exceed one-eighty-three (183) minutes².
- 38) "Forced Outage Period" means the period of time lapsed during the Forced Outage or Partial Forced Outage. It shall be equal to the period of time that remains after subtracting

² The allowance shall not exceed the standards set out in the NEPRA Performance Standards (Distribution) Rules for SAIDI and SAIFI.

total period of time lapsed during discontinuation of flow of electricity to or from DISCO at the Interconnection Point from the sum of Forced Outage Allowance, Scheduled Outage, Interconnection Maintenance Outage and Force Majeure Event.

- 39) “Generation Company Interconnection Facilities” means the facilities and equipment, including, without limitation, electrical lines or circuits, transformers, switch-gear, safety and protective devices or meters designed, constructed or installed by or on behalf of the Generation Company on Generator side of the Interconnection Point at the Connection Site, including any telemetering equipment, transmission lines, and associated equipment, transformers and associated equipment, relay and switching equipment, telecommunications devices, data interface for the SCADA System, protective devices and safety equipment;
- 40) “Generation Company Interconnection Works” means the facilities and equipment to be designed, constructed or installed by or on behalf of the Generation Company on the Generator side of the Interconnection Point, as described in Schedule-IV;
- 41) “Generation Facility (ies)” means the complex used for power generation by the Generation Company;
- 42) “Grid Code” means the grid code prepared by the System Operator pursuant to provisions of the Act and approved by the Authority or Grid Code 2005 as the case maybe;
- 43) “Grid System” means the interconnected transmission and distribution system of Pakistan.
- 44) “Interconnection Capacity” means the design capacity less the auxiliary for the purpose of designing DISCO Interconnection Facilities required for the flow of electric power to or from the Generation Facilities.
- 45) “Interconnection Maintenance Outage” means an interruption or reduction of the capability of the Generation Company Interconnection Facilities and/or DISCO’s Interconnection Facilities scheduled by mutual consultation of the Parties in accordance with clause [.] of [.] for the purpose of performing work on specific apparatus and equipment installed thereon, which, considering the technical limits and Prudent Utility Practices, should not, in the reasonable opinion of the Parties, be postponed until the



next Scheduled Outage;

- 46) "Interconnection Point" means the physical point where the metering, installation, and protection apparatus of the Generation Interconnection Facilities and DISCO Interconnection Facilities are to be connected as specified in Schedule-[];
- 47) "Interconnection Works Schedule" means the schedule for carrying out the Generation Interconnection Works and the DISCO Interconnection Works as described in Schedule-[], and as may be adjusted in accordance with Article [];
- 48) "Market Operator" means the person Licensed by the Authority to perform the functions of the Market Operator;
- 49) "Market Participant" means any person who is registered with the Market Operator and has also executed a Market Participation Agreement;
- 50) "Market Participation Agreement" means the agreement executed by the Market Operator with another person who had applied to register as a Market Participant;
- 51) "Maximum Demand Indicator" or "MDI" means the sum of the coincidental or non-coincidental, as applicable, maximum demands recorded on half hourly basis by the Metering Systems at Connection Sites during a Billing Period as approved by NEPRA from time to time;
- 52) "Metering Service Provider" means a person performing the functions of meter reading and validation at Metering Points and transferring those values to the Market Operator;
- 53) "Metering System" means the system, established according to the requirements of the Grid Code, to measure the Active and Reactive Energy injected into or withdrawn from the Distribution Network and MDI (kW);
- 54) "Month" means a calendar month according to the Gregorian calendar beginning at 0000 Hrs. on the last Day of the preceding month, and ending at 0000 Hrs. on the last Day of that month;
- 55) "NEPRA" means the National Electric Power Regulatory Authority established under the NEPRA Act;

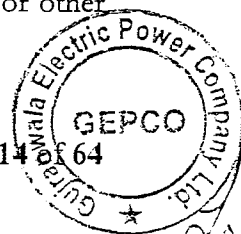
- 56) "**NEPRA Act**" means the 'Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997', as amended from time to time;
- 57) "**Net Delivered Energy**" means the net electric energy expressed in kWh that is generated by a Generation Company and delivered at the Interconnection Point, as measured by the Metering System or the Back-Up Metering System, as the case may be;
- 58) "**Operating Committee**" means the committee established by the Parties pursuant to clause [.] for the purposes described in clause [.] and clause [.];
- 59) "**Operating Procedures**" means the procedures for the operational matters between the Generation Interconnection Facilities and DISCO Interconnection Facilities to be determined by the Operating Committee in accordance with clause [-];
- 60) "**Power Safety Code**" means the Code containing guidelines and instruction for planning, development, operation and maintenance of DISCO Network in an efficient and safe way as approved by NEPRA and amended from time to time, with the approval of NEPRA;
- 61) "**Protection and Metering Code**" means the sub code of the Grid Code related to the minimum technical, design and operational criteria for revenue metering for the purpose of electricity sale and flow;
- 62) "**Prudent Electrical Practices**" means the use of equipment, practices or methods, as required to comply with applicable industry codes, standards, and regulations in Pakistan to protect the Grid System, employees, agents, and customers from malfunctions occurring at the Grid System. Prudent Electrical 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 reasonable cost consistent with reliability and safety;
- 63) "**Prudent Utility Practices**" means the practices of an operator of an electric power undertaking seeking in good faith to perform its obligations and in the conduct of its undertaking exercising that degree of skill, diligence, prudence and foresight which would reasonably be expected from a skilled and experienced operator complying with the Laws and Applicable Documents;

- 64) "Re-Energization" means the Energization pursuant to De-Energization after cessation of cause(s) thereof;
- 65) "Required Commercial Operations Date" means the date that is the number of days following the date on which financial closing occurs by which the interconnection facility is commissioned, such date may be extended by reason of a Force Majeure Event by following the procedure prescribed in this Agreement or if applicable, any other relevant Applicable Documents.;
- 66) "SCADA System" means a supervisory control and data acquisition system;
- 67) "Scheduled Commercial Operations Date" means the date reasonably estimated by the Generation Facilities as the Commercial Operations Date based on the construction schedule;
- 68) "Schedule Outage" means a planned interruption of DISCOs ability to accept delivery of electrical energy generated by the Generation Company at the Entry Point or its ability to transport the same to the Exit Point, due to inspection, testing, preventive maintenance, corrective maintenance, repairs, replacement, or improvement of the Distribution System (or any part thereof), in each case, undertaken in accordance with the Schedule Outage notification and the Distribution Code;
- 69) "Service Provider Agreement" means the agreement executed between the Market Operator and a Service Provider.
- 70) "System Operator" means the NPCC or any other entity licensed by the NEPRA responsible for the safe and reliable operation, control, switching and dispatch of transmission system and the generation facilities and provision of balancing services as established in the NEPRA Act;
- 71) "Term" - The meaning ascribed thereto in clause 2.2.2;
- 72) "Use of System Charges" means the charges made or levied or to be made or levied by the DISCO, where applicable, as mutually agreed between the parties for the use of the transmission facilities and distribution facilities for the purposes of the distribution services but shall not include connection charges;

1.2. RULES OF INTERPRETATION

1.2.1. In this Agreement:

- a) The headings are for convenience only and shall be ignored in construing this Agreement;
- b) Other than where the context determines otherwise, the singular includes the plural and vice versa;
- c) References to Articles, Recitals and Schedules are, unless otherwise specified, references to Articles of, and Schedules and Recitals to, this Agreement;
- d) The words “include”, “including” and “in particular” shall not be construed as, nor shall they take effect as, limiting the generality of any preceding words;
- e) References to a Party are references to a party to this Agreement, including that Party’s assigns or transferees permitted in accordance with the terms of this Agreement and its successors in title;
- f) In carrying out its obligations and duties under this Agreement, each Party shall have an implied obligation of good faith;
- g) The Schedules (and if any schedules or tables thereto) to this Agreement form part of this Agreement, and capitalized terms and abbreviations used in the Schedules (and if any schedules or tables thereto) which are not defined therein shall have the meanings given to them in clause [-] of this Agreement, respectively;
- h) Except as otherwise indicated in this Agreement, references to time are references to the Pakistan Standard Time;
- i) A reference to any statute, regulation, ordinance, bylaw, resolution, rule, order or directive includes all statutes, regulations, ordinances, by-laws or resolutions, rules, orders or directives varying, consolidating, re-enacting, extending or replacing it and a reference to a statute includes all regulations, rules and by-laws of a legislative nature issued under that statute;
- j) A reference to a document or provision of a document, including this Agreement, includes an amendment or supplement to, or replacement or novation of, that document or that provision of that document, as well as any exhibit, schedule, appendix or other annexure thereto.



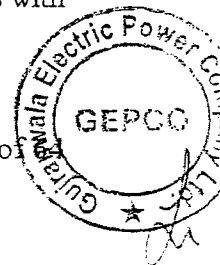
ARTICLE – II: PRELIMINARY

2.1. PURPOSE

- 2.1.1. This Agreement shall govern the rights and obligations of the Parties with respect to the connection of Generation Company with the DISCO Network, including the intent application, formal application for connection, associated costs and charges, construction timelines, installation, testing, commissioning, operation and maintenance, safety, emergency operations, de-energization, re-energization, emergency disconnection and restoration thereof, for the evacuation of electric power generated through the Generation Facilities, up to the Interconnection Capacity through Interconnection Facilities to the DISCOs in accordance with the Distribution Code, Grid Code and Applicable Documents.
- 2.1.2. This Agreement is in addition to, and does not replace or override the, conditions and parameters of the Generation Licence, the Distribution Code, Commercial Code and any other Applicable Documents.

2.2. EFFECTIVE DATE AND TERM

- 2.2.1. This Agreement shall be effective from the date of execution of this Agreement. (the 'Effective Date')
- 2.2.2. Unless terminated earlier in accordance with its terms or is earlier extinguished by mutual consent of the Parties, this Agreement shall continue in full force and effect from the Effective Date for as long as all of the following are in effect:
- a. the Generation Company is operating in accordance with its Generation Licence and the relevant provisions of the Grid Code;
 - b. the Generation Licence as well as DISCO Distribution Licence are in force;
 - c. the Parties have a valid Market Participation Agreement or Service Provider Agreement as the case maybe with the Market Operator;
 - d. the Generation Facilities is or will be effectively connected for these purposes with DISCO Network; and



e. till the life cycle of Generation Company and Grid station.

For this purpose, it is necessary that all these parameters shall be in force concurrently (the "Term").

2.2.3. For the avoidance of doubt, the Term of this Agreement shall stand extended for such duration as the term of the Generation Licence, DISCO Distribution Licence and Market Participation Agreement stands conjunctively extended in a manner that all of them are simultaneously in force, provided that such needed extension is applied for and formalized, if required under the regulatory regime.

2.3. CONSENTS

2.3.1. From and after the Effective Date, each Party shall, at its own cost and expense, apply for, procure, diligently pursue and, following receipt, maintain (and, where applicable, cause its Contractors to procure and maintain) all Consents required to be obtained by such Party for the performance of its obligations under this Agreement.

2.3.2. The Parties recognize that it is impractical at this stage to provide for every eventuality and contingency in this Agreement, which may arise on account of any inconsistency with the power sector reform process and the legal, regulatory and contractual regime framed or as amended and modified from time to time by the competent authority. Accordingly, the Parties hereby agree that it is their intention that in case such eventuality and contingency arise, the Parties shall use their best efforts to agree on such action(s) as may be necessary to remove the cause or causes of such eventuality and contingency.

2.4. COMPLIANCE WITH THE DISTRIBUTION CODE, GRID CODE AND COMMERCIAL CODE

2.4.1. The Parties hereby agree to be bound by and to comply with all of the provisions, as amended from time to time, of the Distribution Code, Commercial Code, Grid Code and Applicable Documents, as applicable, to the Parties in the same manner as if such provisions formed part of this Agreement.

2.5. PROVISION OF INFORMATION

2.5.1. DISCO shall, as and when required, disclose or provide to the Generation Company

- a) any information necessary for the purposes of operation and maintenance of the Generation Company's Inter-Connection Facilities; and
- b) such information as is required to be disclosed or provided to the Generation Company pursuant to the Distribution Code, Grid Code and other Applicable Documents for the purposes of this Agreement;

2.5.2. Information disclosed or provided by DISCO shall be, to the best of the DISCO's knowledge, true, correct and complete at the time at which such disclosure or provision is made. Where DISCO discovers that any information previously disclosed or provided by it to the Generation Company was untrue, incorrect, or incomplete, DISCO shall as soon as reasonably practicable in the circumstances rectify the situation and disclose or provide the true, correct, or complete information to the Generation Company.

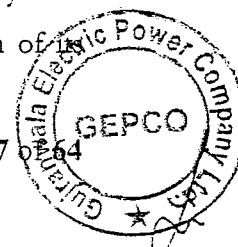
2.5.3. The Generation Company shall, as and when require, disclose and provide to DISCO and System Operator: -

- a) the information which may be necessary for operation and maintenance of DISCO Interconnection Facilities;
- b) the information required for Despatch of Generation Company as well as the information required for system reliability; and
- c) such other information as is required to be disclosed or provided pursuant to the Distribution Code and Grid Code and this Agreement or any other Applicable Document;

2.5.4. Information disclosed or provided by the Generation Company shall be, to the best of its knowledge, true, correct and complete at the time at which such disclosure or provision is made. Where the Generation Company discovers that any information previously disclosed or provided by it to the DISCO or System Operator was untrue, incorrect, or incomplete, the Generation Company shall as soon as reasonably practicable in the circumstances rectify the situation and disclose or provide the true, correct, or complete information to DISCO or System Operator as the case maybe.

2.6. EXCLUSIVITY

2.6.1. Save to the extent permitted otherwise by the Authority, the Generation Company shall not, during the continuation of this Agreement and continuation of connection of



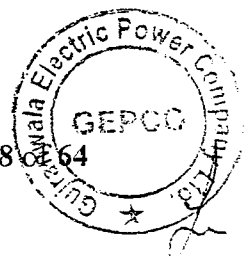
Generation Company to the DISCO Network, connect or enter into similar arrangement to connect its Generation Company with the distribution system of any other entity having a Distribution Licence or special purpose transmission licence in a manner inconsistent with the terms of this Agreement, the Grid Code or the Distribution Code.

2.7. APPOINTMENT OF THE OPERATING COMMITTEE

- 2.7.1. The Parties shall, within [9] days of the execution of this Agreement, establish an Operating Committee to perform the various co-ordination and liaison activities for all relevant matters set forth in this Agreement and the Applicable Documents; and
- 2.7.2. Discuss and resolve, in accordance with the Operating Procedures and the terms of this Agreement, any and all technical, safety or coordination issues, testing protocols or procedures of the Connection Sites, arising under or relating to this Agreement.

2.8. OPERATING COMMITTEE

- 2.8.1. The Operating Committee shall be comprised of four (4) members. Each Party shall designate two (2) members to represent it on the Operating Committee, and either Party may remove and replace any of its Operating Committee members at any time upon notice to the other Party. Members of the Operating Committee shall have reasonable experience of working on projects of a similar nature for undertaking the Operating Committee's scope of work.
- 2.8.2. The Operating Committee shall develop procedures for holding of meetings, keeping of minutes thereof, and the appointment and operation of sub-committees.
- 2.8.3. Chairmanship of the Operating Committee shall rotate each twelve (12) months between the Parties, and the Parties agree that DISCO shall nominate the first chairman. The chairman shall not have a casting vote.
- 2.8.4. Decisions of the Operating Committee shall require unanimity among the members present at the Operating Committee's meeting, in addition to fulfillment of its quorum. A quorum of the members of the Operating Committee shall be fulfilled when there are present at such meeting at least one (1) member representing each Party.



2.9. DUTIES OF OPERATING COMMITTEE

2.9.1. co-ordination of the respective programs and procedures of the Parties for the operation and maintenance of the Generation Company Interconnection Facilities, DISCO Interconnection Facilities, and all related equipment — for the avoidance of doubt, the Operating Committee shall not establish programs and procedures for the construction of the Interconnection Facilities;

- a. steps to be taken on the occurrence of a Force Majeure Event affecting a Party, Generation Company Interconnection Facilities, DISCO Interconnection Facilities, DISCO Network or any related equipment;
 - i. safety and protection matter pertaining to the operation and maintenance of the Generation Company's Interconnection Facilities and DISCO's Interconnection Facilities;
 - ii. review and revision of protection schemes;
 - iii. facilitation of the Metering Service Provider in the maintenance of the Metering System and meter reading as per the Commercial Code;
 - iv. developing testing procedures for the DISCO Interconnection Facilities and the Generation Company Interconnection Facilities; and
 - v. any other matter agreed upon by the Parties.
- b. The Operating Committee shall have no power or authority to amend or modify the provisions of this Agreement, or to determine the rights and/or obligations of the Parties under this Agreement.

2.10. OPERATING PROCEDURES

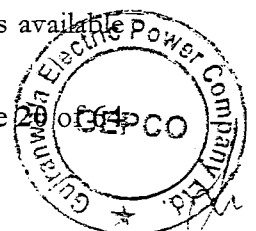
2.10.1. Within [●] days of the establishment of the Operating Committee, the Parties shall cause the Operating Committee to meet and cause their respective designated members to work towards finalizing the Operating Procedures addressing all operational interfaces between the Parties under this Agreement. The Operating Procedures shall:

- i. take proper account of the design of the Interconnection Facilities, the Metering Systems and the SCADA;

- ii. refer to the operational practices and procedures stipulated in the Applicable Documents i.e., Distribution Code and related clauses of the Grid Code, if applicable;
- iii. refer to the requirements of environment, safety and protection;
- iv. refer to the operational practices and procedures stipulated in the Grid Code and Commercial Code which relate to the meter reading and communication thereof to the concerned; and
- v. be consistent with Prudent Electrical Practices, Prudent Utility Practices, and the technical limits in accordance with the Distribution Code and Applicable Documents.

2.10.2. The procedure for developing and finalizing the Operating Procedures shall be the following:

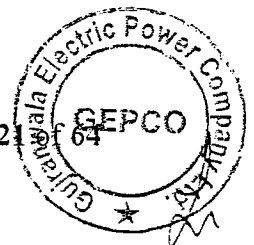
- i. within [●] days following the establishment of the Operating Committee, the Generation Company shall deliver the proposed draft Operating Procedures, consistent with the Distribution Code, Commercial Code, Grid Code and this Agreement in writing to DISCO;
- ii. within [●] days following the date the draft Operating Procedures are delivered by the Generation Company to DISCO, the DISCO shall in writing provide comments and advise the Generation Company of all matters and information the DISCO believes are required to be included in the Operating Procedures; and, within [●] days following the end of initial period of [●] days, each Party shall make a representative available to meet, so as to review each Party's comments on the draft Operating Procedures and on the proposed changes and on any objections to any of the proposed changes;
- iii. as soon as practicable after the meeting referred to in clause 2.10.2)(ii), but in any event within [●] days following the end of such meeting, the Generation Company shall provide DISCO with proposed final draft Operating Procedures incorporating, to the extent agreed, each of the Parties' proposed changes;
- iv. DISCO shall provide final comments on the final draft Operating Procedures within [●] days after its receipt and, no later than [●] days after being so requested by the Generation Company, the DISCO shall make its representatives available



in [●], to meet with the Generation Company and review its comments and proposed changes;

- v. the Generation Company shall revise the draft Operating Procedures in accordance with Sub-clause (iv) hereinabove, so as to incorporate such additions or modifications required by DISCO, and shall provide the final draft to DISCO as soon as practicable but, in any event, within [●] days following receipt of the DISCO's comments and proposed changes. Any dispute between the Parties as to whether any matter should be included in or excluded from or modified in the way it is then treated in the draft Operating Procedures, shall be determined in accordance with Article XXI.

2.10.3. Following finalization of the Operating Procedures pursuant to clause [-], either Party may, from time to time, propose changes in the Operating Procedures as events and circumstances may require. The Parties shall meet and in good faith discuss such proposed changes, and incorporate such changes as are agreed by the Parties. Any dispute between the Parties as to whether any matter should be included in or removed from or modified in the way it is then treated in the Operating Procedures, shall be determined in accordance with Article [-].



ARTICLE – III: CODE PARTICIPANT

- 3.1. The Generation Company shall comply with the Distribution Code and the Grid Code as Code Participant.
- 3.2. In addition to above, the Generation Company, as a Code Participant, shall maintain and operate its Generation Facilities and the Generation Company's Interconnection Facilities in accordance with, but not limited to the following provisions:
- a) the Applicable Documents;
 - b) the Distribution Code;
 - c) the Grid Code where applicable;
 - d) Prudent Electrical Practices;
 - e) Standards for maintaining the quality of supply (QoS) as detailed in the DISCO Distribution Licence, Distribution Code, Grid Code, and Applicable Documents in order to ensure that the security of DISCO Network and systems of other Code Participants are not affected.

ARTICLE – IV: INTER-CONNECTION CAPACITY

- 4.1. Subject to the terms of this Agreement, DISCO shall, except to the extent where DISCO is prevented from doing so by network reliability condition as set out in the Distribution Code, and if applicable, the Grid Code, which could not have been avoided by DISCO by exercise of Prudent Electrical Practices and Prudent Utility Practices, make available at all times during the currency of this Agreement, the DISCO Interconnection Facilities and DISCO Network capable of handling the Distribution of electric power generated by the Generation Company up to the level of Interconnection Capacity.
- 4.2. Subject to the terms of this Agreement the power evacuated by Generation Company shall not exceed the Interconnection Capacity at any time, save as expressly instructed and permitted by DISCO while acting on advice of the System Operator on account of an event, which is an emergent requirement or expedient in accordance with Prudent Utility Practices.
- 4.3. In case the Generation Company exceeds the Interconnection Capacity and maintain the excess even after being asked by DISCO to remain within the Interconnection Capacity as per the Operating Procedures, DISCO shall give notice to the Generation Company setting out the details and requesting the Generation Company to remedy the situation within [●] hours, of receipt of the notice failing which DISCO may De-Energise the connection until the Generation Company is able to satisfy DISCO that the Interconnection Capacity shall not be exceeded or that arrangements have been made for an alteration or modification of the Connection Agreement.
- 4.4. Subsequent to De-energization under clause 4.3 above, if DISCO is satisfied that the Generation Company has made arrangements that the load shall not again exceed beyond the Interconnection Capacity, DISCO shall Re-Energise the connection.
- 4.5. Generation Company shall also ensure that Electric Power from Generation Facilities flowing through the Generation Company Interconnection Facilities is and remain to be within the ratings as prescribed in the Distribution Code, the Grid Code and Applicable Documents with reference to NEPRA Performance Standards (Generations) Rules, 2009.

ARTICLE – V:

CONNECTION AND ENERGIZATION RIGHT

- 5.1. Subject to the terms of Article XIII this Agreement, Distribution Code and the Applicable Documents, the Generation Company shall be and remain to be connected to the DISCO Network through the Generation Company's Interconnection Facilities and DISCO's Interconnection Facilities at the Interconnection Point for the Term of this Agreement.
- 5.2. Subject to the terms of this Agreement, Distribution Code, Grid Code and the Applicable Documents, the Generation Company Interconnection Facilities shall be and remain to be Energised for the Term of this Agreement.

6.1. DATA NECESSARY FOR CONSTRUCTION OF INTER-CONNECTION FACILITIES

The Generation Company and the DISCO shall exchange all information, in accordance with the Distribution Code and Grid Code or otherwise required by the other party for the purposes of this clause, within the time period provided in the [Interconnection Works Schedule]. Within ten (10) Days of a request by either Party, the requested Party shall provide all additional information reasonably requested by the requesting Party in connection with the execution of its Interconnection Works.

6.2. GRANTING OF EASEMENTS AND RIGHTS-OF-WAY

- a) If required, the Generation Company shall grant to the DISCO, easements and rights of way across the Connection Site, where the Interconnection Facilities are to be constructed, necessary to carry out and complete the DISCO Interconnection Works and to operate, maintain, replace and/or remove the DISCO Interconnection Facilities during the Term of this Agreement. The easements and rights of way shall grant to the DISCO adequate and continuing rights for the purposes set forth in this clause 6.2 to enter the Connection Site, subject only to the DISCO giving reasonable prior notice to the Generation Company. Upon request by the DISCO, the Generation Company shall execute such instruments for grant of easements, rights of way, licences and other documents, each in recordable form, such as the DISCO may reasonably require for recording any and all of the above rights. Consideration for grant of such rights shall be the execution of this Agreement, and no other consideration shall be required. To the extent allowed by the Laws of Pakistan all easements, rights of way, licences and other rights hereunder shall survive the termination or expiration of this Agreement. When on Connection Site, the DISCO shall comply with all reasonable instructions of the Generation Company and its Contractors relating to the carrying out of any work on Connection Site.
- b) Except as provided in clause 6.2 (a), the DISCO shall be responsible for obtaining all rights-of-way, easements and other real or personal property interests necessary to

construct, operate and maintain the DISCO Interconnection Facilities during the Term.

6.3. CONSTRUCTION OF THE GENERATION COMPANY'S INTERCONNECTION FACILITIES

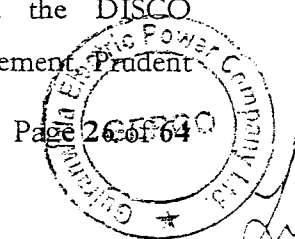
- a) The Generation Company, at its cost, shall carry out or cause to be carried out the Generation Company Interconnection Works with all proper skill, diligence and care, and in all material respects in accordance with:
- i. this Agreement;
 - ii. the Laws of Pakistan and the applicable Consents;
 - iii. the Distribution Code;
 - iv. the Grid Code;
 - v. the Generation Licence;
 - vi. Prudent Utility Practices and Prudent Electrical Practices; and
 - vii. Schedule-III.

so that the Generation Company Interconnection Facilities can reasonably be expected to provide a useful life of not less than the Term.

- b) The design, scope and specification of the Generation Company Interconnection Works are set forth in **Schedule-III**. The Generation Company shall provide the DISCO not less than thirty (30) Days' prior written notice of the date from which it or its Contractor will commence the Generation Company Interconnection Works, and shall complete the Generation Company Interconnection Works in accordance with the Interconnection Works Schedule. Generation Company shall procure (or cause its Contractors to procure) all Consents necessary for carrying out the Generation Company Interconnection Works.

6.4. DISCO INTER-CONNECTION FACILITIES

The DISCO shall design, construct, complete, and commission the DISCO Interconnection Facilities in accordance with **Schedule-III** of this Agreement.



Utility Practices and Prudent Electrical Practices so that the DISCO Interconnection Facilities can reasonably be expected to have a useful life of not less than the Term of this Agreement-.

6.5. CONSTRUCTION OF DISCO INTER-CONNECTION FACILITIES

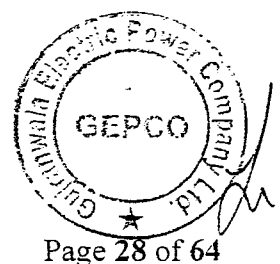
- a) DISCO shall make the final design of the DISCO Interconnection Facilities upon receipt of notice from the Generation Company about the Scheduled Commercial Operation Date subject to the payment of Connection Charges in terms of Article-XII of this Agreement. Such notice shall be sent by the Generation Company to DISCO at least [●] months prior to the Scheduled Commercial Operations Date then anticipated by the Generation Company. If requested by the Generation Company, the DISCO shall provide to the Generation Company reports on the progress of the DISCO Interconnection Works until their completion. The DISCO shall complete the DISCO Interconnection Works so as to be able to accept Net Delivered Energy at the Interconnection Point, to carry out the Commissioning Tests no later than [●] Days prior to the Scheduled Commercial Operations Date notified to the DISCO pursuant to this clause 6.5 (a); provided, however, that such completion date shall be extended on a Day-by-Day basis for any changes in the Scheduled Commercial Operations Date, and to the extent necessary because of occurrence of any of the following:
- i. the Generation Company's failure to execute, in sufficient time for the DISCO to complete the DISCO Interconnection Facilities, such easements, rights-of-way, licences and other documents, each in recordable form, as the DISCO may reasonably require to record the deeds, easements, rights-of-way and licences granted pursuant to clause [-];
 - ii. the Generation Company's failure to provide the DISCO, on a timely basis, with any technical data relating to the Generation Facilities and available to the Generation Company but not included in **Schedule-III**, requested by the DISCO and reasonably necessary for the DISCO to undertake the design, construction, installation, Commissioning, maintenance and operation of the DISCO Interconnection Facilities;

- iii. a Force Majeure Event that materially and adversely affects the DISCO's ability to perform its obligations in accordance with this Article VI;
- iv. any other failure by the Generation Company to perform in accordance with this Agreement that materially and adversely affects the DISCO's ability to perform its obligations in accordance with this Article VI.

provided, however, that no extension shall be granted to the DISCO to the extent that such failure or delay would, nevertheless, have been experienced by the DISCO.

6.6. TESTING

The Parties shall co-operate in testing the DISCO Interconnection Facilities and the Generation Company Interconnection Facilities, in accordance with the schedule developed by the Operating Committee and in accordance with the Distribution Code and the Grid Code — but in no event later than the time provided in clause 6.5 — and at such other times thereafter as either Party may reasonably require.



ARTICLE – VI(A): LIQUIDATED DAMAGES

6A.1. Liquidated Damages

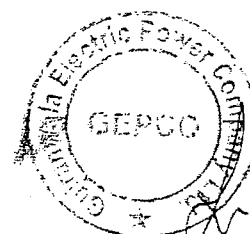
Without prejudice to the Parties rights under Article XVII the Parties agree that any liquidated damages payable under this Clause 6A.2 shall be the Parties sole and exclusive remedy against the other Party in respect of the matters to which such liquidated damages relate.

6A.2. If the DISCO has not completed, and Energised the DISCO Interconnection Facilities by the date required in the Inter-connection Works Schedule , the date may be extended in accordance with clause 6.5(a)(i), (ii), (iii) or (iv),). In case the delay is beyond the date stipulated according to this agreement, the DISCO shall pay the Generation Facility as liquidated damages an amount as determined the Authority .

6A.3. The DISCO shall have no obligation to make the payments provided in the sub clause 6A.2 if, and to the extent that, the delay in the commissioning/Energization would nevertheless have occurred regardless of the DISCO's delay in completion of DISCO Interconnection Facilities

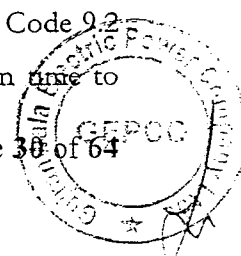
6A.4. If the Generation Company fails to either construct and commission the Generation Facilities or construct and commission the Generation Company Interconnection Facility on the Required Commercial Operation Date and the DISCO has regardless completed the DISCO Interconnection Works as per the Interconnection Works Schedule. The Generation Company shall pay the DISCO as liquidated damages an amount as determined by the Authority.

6A.5. The Generation Company shall pay to the DISCO an amount in the form of liquidated damages as determined by the Authority for non-compliance with the standards set in the Distribution Code, the Grid Code and other Applicable Documents including but not limited to the failure of Generation Company to maintain a power factor as stipulated in the aforementioned documents.



ARTICLE – VII: OPERATION AND MAINTENANCE

- 7.1. The Generation Company shall operate and maintain the Generation Facilities and Generation Company's Interconnection Facilities in accordance with this Agreement, Bilateral Commercial Contract, Distribution Code, Grid Code, Applicable Documents, the Operating Procedures and Prudent Utility Practices.
- 7.2. The Generation Company shall ensure that the apparatus and equipment of Generation Company Interconnection Facilities installed at the Connection Site always complies with the technical specifications set out by DISCO in accordance with the Distribution Code, Grid Code (if applicable) and more precisely described in the **Schedule V** of this Agreement.
- 7.3. If at any time, DISCO comes to know that apparatus or equipment has different performance characteristics and technical parameters than those provided by the Generation Company and in DISCO's view it may pose safety issues, the connection shall be immediately De-energised with intimation to System Operator till the error is removed.
- 7.4. However, if, in DISCO's view, the change may not pose safety issues, DISCO, with approval of System Operator, shall notify the Generation Company to correct the error within the time specified by DISCO in this regard.
- 7.5. DISCO shall maintain and operate the DISCO Interconnection Facility in accordance with the conditions laid down in the DISCO Distribution Licence, Grid Code, Distribution Code, Prudent Utility Practices and any other Applicable Documents.
- 7.6. The Parties shall be entitled to execute outages on account of repair and maintenance of their respective apparatus and equipment at the Connection Site upon notice to the other party and in accordance with the Grid Code and the Distribution Code.
- 7.7. The Parties shall be entitled to plan and execute the Interconnection Maintenance Outages with the concurrence of the System Operator for repair and maintenance of their respective apparatus and equipment installed at the Connection Site in accordance with the Operating Procedures. However, the Parties shall endeavor that both Interconnection Facilities schedule their outages at the same time.
- 7.8. Subject to the provisions of the Distribution Code i.e. Distribution Operation Code 9.2 and NEPRA Performance Standards for Distribution Rules, as amended from time to time to



time, if at any time, in the reasonable opinion of DISCO, the condition or manner of operation of the DISCO Network or the Generation Company or Interconnection Facilities pose an immediate threat of injury or material damage to any person or to the DISCO Network, DISCO shall have the right to De-Energize the Generation Company's apparatus and equipment at the Connection Site, under intimation to System Operator, if it is expedient to do so to avoid the occurrence of such injury or damage and inform the Generation Company about the measures at the earliest as per the Operating Procedures. Re-Energization of the Generation Company's apparatus and equipment by the DISCO will be done as soon as practicable after cessation of the circumstances that lead to such De-energization and keep the Generation Company informed about such Re-energization measures, as per the Operating Procedure, the Distribution Code and the Grid Code.

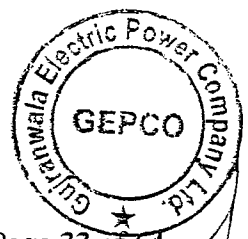
- 7.9. Subject to the provisions of the Distribution Code, if at any time, in the reasonable opinion of the Generation Company, the condition or manner of operation of Generation Facilities and/or Generation Company Interconnection Facilities pose an immediate threat of injury or material damage to any person or to the Generation Facilities or Interconnection Facilities, the Generation Company shall report such a condition or manner of operation to DISCO who shall, under the intimation to System Operator, De-energize the Generation Company's apparatus and equipment at the Connection Site or take any other action necessary to do so to avoid the occurrence of such injury or damage and inform the Generation Company about the measures at the earliest as per the Operating Procedures. DISCO shall Re-Energize the Generation Company's apparatus and equipment at the Connection Site as soon as practicable after cessation of the circumstances that lead such to De-Energization and inform the Generation Company about such Re-Energization measures as per the Operating Procedures and the Distribution Code.
- 7.10. In emergency situations, either DISCO or the Generation Company may De-Energize the connection at any time under intimation to System Operator. However, such De-Energization should be for the shortest period practicable and restored as soon as the emergency situation ceases to exist. However, neither Party shall restore the connection until the other Party has confirmed that Re-Energization may take place.
- 7.11. The Parties shall always maintain their respective apparatus and equipment at the Connection Site in such proper condition that it is fit for flow of Electric Power to DISCO Network up to the Contracted Capacity unless under Outage.

**ARTICLE – VIII: DISCO's RIGHT TO ISOLATE OR DE-ENERGIZE
TEMPORARILY**

- 8.1. Notwithstanding anything contained in this Agreement, DISCO shall have the right to De-Energize the apparatus and equipment of the Generation Company installed at the Connection Site without any prior notice if on the sole instructions or on discretion of the System Operator that such isolation and/or De-Energization is expedient for the stability of the Grid System and/or DISCO Network.
- 8.2. However, the apparatus and equipment of the Generation Company shall be Re-Energised as soon as practicable upon cessation of the circumstances posing threat to the stability of Grid System and/or DISCO Network in accordance with the Grid Code and Distribution Code, as applicable.
- 8.3. Upon receiving written notice from Market Operator, as per the Market Commercial Code, the DISCO shall immediately De-Energize the apparatus and equipment of the Generation Company's Interconnection Facilities. Generation Company's Interconnection Facilities shall only be re-connected upon written notice from Market Operator.

**ARTICLE – IX: COMMUNICATION FACILITIES / SCADA SYSTEM &
DESPATCH INSTRUCTIONS**

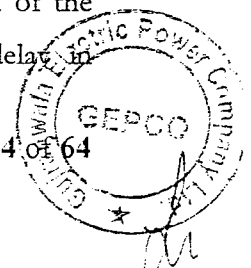
- 9.1. The Generation Company shall install and make operational the following equipment at the Connection Site:
- a) Telecommunications and tele-protection equipment compatible with and connected to such system installed at System Operator's, Islamabad and a Regional Control Center;
 - b) Communication equipment at the Connection Site compatible with the equivalent equipment at the System Operator for voice communication between the Connection Site and the System Operator;
 - c) Equipment capable to transmit and receive facsimiles; &
 - d) Tele-metering and data interface compatible with SCADA System of System Operator.
- 9.2. The Generation Company shall obtain written approval, from System Operator, prior to procuring and installing the equipment mentioned in clause 9.1 above and such written approval shall not be withheld or delayed unreasonably.
- 9.3. The Generation Company shall follow scheduling and despatch instructions as per the relevant parameters defined in the Grid Code, as the case maybe, with NTDC.



ARTICLE – X:

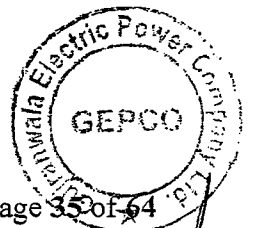
SAFETY AND PROTECTION

- 10.1. The Parties shall observe and comply with the safety and protection of the apparatus and equipment installed at their respective Interconnection Facilities at the Connection Site in accordance with the Distribution Code and Grid Code i.e. Distribution Operating Code No. 6 & No. 9 respectively Work Safety at the Interface & Testing and Monitoring, Consumer Service Manual, NEPRA's Power Safety Code, NEPRA Performance Standards for Distribution Rules, as amended from time to time, Operating Procedures and generally the provisions relating to safety and protection prescribed in the Distribution Code.
- 10.2. In addition to above, the Parties shall also observe and comply with the requirements of health, safety and environment prescribed under any applicable law for the time being in force and as per the Prudent Electrical Practices and Prudent Utility Practices.
- 10.3. Each Party shall appoint a coordinator to coordinate safety and protection precautions when some work is required to be carried out at the Connection Site with respect to apparatus and equipment installed at the respective Interconnection Facilities.
- 10.4. PROTECTIVE DEVICES:
- a) As part of the Generation Company Interconnection Works, the Generation Company shall install protective relays in accordance with **Schedule-IV** following the standards set by the System Operator. The Generation Company shall maintain the settings of all relays in the Generation Facilities at the levels agreed by the Generation Company and DISCO, and the Generation Company shall not change such settings without DISCO's prior consent.
 - b) The Generation Company and DISCO shall verify the operation of the protection devices in accordance with the testing program set forth in **Schedule-IV**.
 - c) Subject to providing the Generation Company reasonable notice, DISCO may require the Generation Company to modify or expand the requirements for protective devices taking due consideration of the standards set out by the NGC. DISCO shall be notified in advance of, and shall have the right to observe, all work on the protective devices. To the extent that any such modification or expansion of the requirements for protective devices causes the Generation Company delay in



Commissioning the Generation Facilities, as certified by the Engineer, the Generation Company shall accordingly get the Required Commercial Operations Date extended.

- d) Each Party shall notify the other Party in advance of any changes to either the ~~Generation Facilities or the DISCO Network that may affect the proper co-~~ordination of protective devices between the two systems, and neither Party shall make any such changes to either the Generation Facilities or the DISCO Network, as the case may be, without the other Party's approval.



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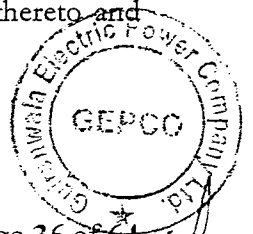
ARTICLE – XI: METERING AND METER READING

11.1. METERING SYSTEMS

- a) The Parties acknowledge that for the purposes of recording the flow of Electrical Energy through the Interconnection Point, the Metering System and, if applicable, Back-up Metering System is required.
- b) The Metering System and the Back-Up Metering System shall be:
 - i. fully compatible with the characteristics of Advanced Metering Infrastructure (AMI) system;
 - ii. compliant with the Grid Code, Distribution Code and the Commercial Code;
 - iii. compliant with the specification of the Metering Service Provider.
- a) The Metering System and the Back-up Metering System shall be installed, commissioned, operated and maintained as per the requirements of the Grid Code and the Distribution Code.

11.2. INSTALLATION OF METERING & BACK-UP METERING SYSTEMS

- a) The Metering & Back-Up Metering Systems shall be installed, commissioned, operated and maintained according to the provisions of the Metering Code of the Grid Code.
- b) The Generation Company shall ensure that it or its Contractors, employees, agents and invitees (other than the DISCO), and others for whom the Generation Company is responsible, shall not tamper with the Metering System or the Back-Up Metering System.
- a) The Generation Company shall grant all such easements and right of ways as stipulated under the Grid Code and the Distribution Code to the location of the Metering System on the Connection Site, and for ingress and egress thereto and therefrom.



11.3. TESTING OF METERING SYSTEM

- a) The metering systems shall be tested as per the provisions of the Grid Code and the Distribution Code. The Generation Company shall cooperate with the MSP and shall not prevent the MSP from making unscheduled inspections. The Generation Company and the DISCO shall have the right to witness the tests as well as any inspection of the Metering System and the Back-Up Metering System or adjustments thereof performed in accordance with the Grid Code and the Distribution Code; provided that if any of their representative fails to attend such test(s), inspection or adjustment, such right shall be deemed to have been waived with respect to such test(s), inspection and/or adjustment.
- b) The accuracy of each of the Metering System and the Back-Up Metering System shall be tested as per the provisions of the Grid Code. If necessary, the recalibration shall be performed as per the provisions of the Metering Code of the Grid Code & Distribution Code. The Parties shall have the right to witness such tests. Any costs arising on account of replacement of any part or equipment of Metering or the Back-Up Metering System shall be borne by the Generation Company.
- c) In addition to the tests to be carried out pursuant to clause 9.3 (a) & (b), if any Party believes that the Metering System is inaccurate, it shall inform the Metering Service Provider, requesting that the Metering System's accuracy be tested.

11.4. READING METERS

- a) The Metering System and the Back-Up Metering System shall be equipped with such telemetry and electronic data recording systems capable of recording the Electrical Energy as stipulated in the Grid Code. The Metering System and Back-Up Metering System shall be capable of communicating the metering data as required under the Grid Code to the metering data management system (MDM) of the MSP.
- b) The Metering System shall be used to measure the Electrical Energy, provided that during any period when the Metering System is out of service as a result of maintenance, repairs or testing, then the procedure as laid down in the Commercial Code and the relevant operational procedure, as amended from time to time, shall be followed.

- c) Where during any test carried out pursuant to clause 6.6, the Metering System is found to be inaccurate beyond the permissible limits stipulated in the Grid Code, or is otherwise unavailable or functioning improperly, then the correct amount of Electrical Energy delivered to the Generation Company for the actual period during which inaccurate measurements were detected, if any, shall be determined as per the procedure laid down in the respective provisions of the Commercial Code and its operational procedures, as amended from time to time.

11.5. SEALING OF METERING SYSTEMS

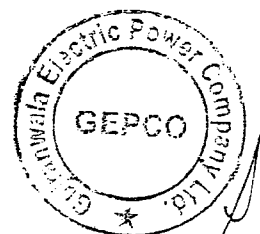
- a) The Metering System and the Back-Up Metering System shall be sealed as per the provisions of the Grid Code.
- b) Seals on the Metering System and the Back-Up Metering System shall be broken only in accordance with the procedure stipulated in the Grid Code.
- a) If any seal securing the Metering System or the Back-Up Metering System is found to be broken, or if the Metering System or the Back-Up Metering System has been found to have been tampered with, and, in either case, the Metering System is found to be inaccurate or otherwise unavailable or functioning improperly, then the relevant provisions of the Commercial Code and the Grid Code and Distribution Code shall apply.

11.6. REPAIR, REPLACEMENT OR RECALIBRATION OF METERING SYSTEM

- a) The repair, replacement and recalibration of the Metering & Back-up Metering System shall take place in accordance with the procedures set forth in Grid Code, Commercial Code, the Distribution Code and other Applicable Documents.

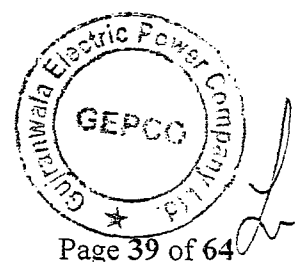
11.7. BACK-FEED OF ENERGY FROM DISCO TO THE GENERATION COMPANY

- a) In the event of any back-feed of energy from the DISCO Interconnection Facilities to the Generation Company Interconnection Facilities, the Parties shall record the quantum of energy exported by DISCO in accordance with the monthly meter reading mechanism set out in clause 11.4 of this Agreement for the purposes of net metering.



ARTICLE – XII: CONNECTION CHARGES

- 12.1. The Generation Company shall pay to DISCO the Connection Charges at the rate and in the manner as determined by NEPRA.
- 12.2. DISCO shall issue a demand note to the Generation Company for the one-time payment of Connection Charges and the Generation Company shall pay the same within [●] days of issuance of the demand note.
- 12.3. In case the Generation Company fails to make payment of the Connection Charges within the time stipulated in the demand note, DISCO, on the request of the Generation Company, may extend the payment date once. However, the amount thereof may vary on account of change in price of material, if applicable. The Generation Company shall pay the said charges within the time stipulated in the demand note issued under this clause [●].
- 12.4. The obligation of DISCO in terms of clause [●] of this Agreement shall be subject to compliance of Article- [●] by the Generation Company.

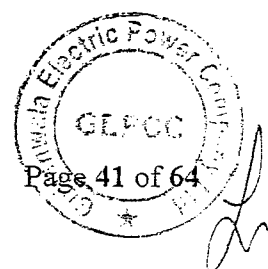


ARTICLE – XIII: DISCONNECTION

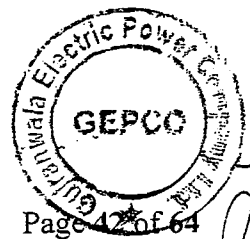
- 13.1. If the Generation Company is in breach of any of the provisions of this Agreement or of the provisions of the Distribution Code, Commercial Code, Grid Code or of any Applicable Document and such breach causes or can reasonably be expected to cause a material damage to the performance or operation of DISCO or other users or the DISCO Network or the apparatus and equipment of other connected users then the DISCO may:
- a) where the breach is capable of remedy, give written notice to the Generation Company specifying in reasonable detail the nature of the breach and requiring the Generation Company to remedy the breach within [●] calendar days after receipt of such notice.; or
 - b) where the breach is incapable of remedy, give written notice to the Generation Company specifying in reasonable detail the nature of the breach and ask for the reasons why the breach is incapable of remedy and requiring the Generation Company within [●] calendar days after receipt of such notice to undertake not to repeat the breach.
- 13.2. In case the Generation Company fails to:
- a) remedy the breach within [●] calendar days after receipt of notice in terms of sub-clause [●] of clause [●] above or within the period extended by DISCO, if any, then DISCO may disconnect the apparatus and equipment of the Generation Company at the Connection Site from DISCO Network; or
 - b) provide undertaking to DISCO in terms of sub-clause [●] of clause [●] above or is in breach of that undertaking, then DISCO may disconnect the apparatus and equipment of the Generation Company at the Connection Site from DISCO Network.
- 13.3. In case the Generation Company fails to comply with the provisions of Commercial Code and the Market Operator issues a disconnection order:
- a) upon receipt of such disconnection order, the Disco will disconnect the Inter-Connection Facility on immediate basis.
 - b) The Disco shall not reconnect the Interconnection Facility until it receives a written notice from the Market Operator to Re-energize.

ARTICLE – XIV: OBLIGATIONS OF GENERATION COMPANY

- 14.1. The Generation Company undertakes to comply with, in general, the provisions of the Market Participation Agreement, Grid Code and in particular the provisions thereof related to operation, maintenance, coordination, availability and Despatch of the complex for delivery of electric power through the connection made under this Agreement.
- 14.2. The Generation Company shall abide by the provisions of the Distribution Code, Commercial Code, Applicable Documents, Prudent Utility Practices and Operating Procedures.
- 14.3. The Generation Company agrees that its apparatus and equipment shall be in accordance with the specification provided by DISCO and agreed among the Parties, and that the connection facilities will continue to perform the requisite function under any of the following measures called for under the Market Participation Agreement, Grid Code and Applicable Documents such as:
- a) The ability to contribute to frequency control, if applicable;
 - b) The ability to contribute to voltage control;
 - c) The provision of operational reserve, if applicable;
 - d) The ability to black start, if applicable;
 - e) The ability to isolate safely from the System;
 - f) Availability, operation and dispatch of Generation Facility ;
 - g) Protection equipment to Disconnect from the Distribution in the event of overload, voltage outside limits or frequency outside limits; &
 - h) The ability to control level of active, reactive energy transfer and any other ancillary service required.
- 14.4. The Generation Company shall provide authentic data required for operational and planning purposes, performance characteristics and technical parameters of apparatus and equipment installed at the Generation Company Interconnection Facilities to System Operator.



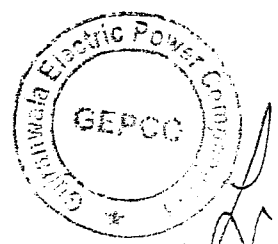
- 14.5. The Generation Company shall not alter, replace or change the apparatus and equipment regarding which data was provided to DISCO in such a way as to cause the performance characteristics and technical parameters to change, unless the change has been notified to and agreed by, DISCO before the change is implemented.
- 14.6. All apparatus or equipment installed at the Generation Company Interconnection Facilities shall, at all time, be compliant with prevailing engineering standards as laid down or agreed by DISCO and shall be in complete functional and operational state.



ARTICLE – XV:

OBLIGATIONS OF DISCO

- 15.1. Subject to this Agreement, DISCO agrees to make available, plan, develop, operate and maintain the DISCO Network in accordance with its Licence and the Distribution Code and while doing so it shall follow the performance standards set by NEPRA and the Prudent Utility Practices.
- 15.2. DISCO shall transport the electric power produced through Generation Facilities to the purchaser(s) through the DISCO Network, in accordance with the DISCOs Connection Agreements with purchaser(s).
- 15.3. Subject to this Agreement, DISCO shall not disconnect and/or De-Energize the apparatus and equipment of the Generation Company installed at the Connection Site.
- 15.4. In case DISCO disconnects and/or De-Energizes the apparatus and equipment of the Generation Company in terms of this Agreement, it shall restore the connection and/or Re-Energize the apparatus and equipment of the Generation Company installed at the Connection Site as soon as practicable.
- 15.5. DISCO shall inform NEPRA about execution of this Agreement and forward all relevant technical details of the plant, apparatus, facilities, and connection including the metering installation under this Agreement.

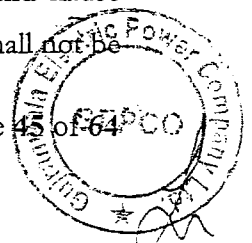


ARTICLE – XVI: RIGHT OF ACCESS

- 16.1. The Parties agree that upon reasonable notification (except in an emergency), each Party including nominated third party or Contractors shall have unhindered access to either Party's apparatus and equipment installed at the Connection Site for the purpose of installation, testing, Commissioning, maintenance, inspection, modification, replacement and removal subject to taking reasonable steps to ensure the following:
- a) the property or apparatus and equipment belonging to either Party is not damaged;
 - b) in case any damage is caused to other Party's property, apparatus and equipment, it is remedied as quickly as practicable;
 - c) minimal disturbance and inconvenience as possible to the property, personnel, apparatus and equipment of either Party.
- 16.2. The Parties agree that the right of access includes the right to bring on to the Connection Site or to the premises of the other Party, vehicles, plant, machinery, maintenance or construction materials as shall be reasonably necessary for the agreed purpose of work to be done.
- 16.3. The Parties further agree that access shall be available at all times to personnel of the Parties or third parties nominated by the Parties for the above purposes unless a safety issue prevents such access.

ARTICLE – XVII: FORCE MAJEURE

- 17.1. Force Majeure shall mean any event or circumstance which is beyond the reasonable control of a Party and which could not have been prevented by Prudent Utility Practice resulting in or causing the failure of that Party to perform any of its obligations under this Agreement and includes Acts of God, war declared or undeclared, invasion, blockade, embargo, revolution, riot, insurrection, civil commotion, act of terrorism, or nationwide strikes, lockouts or other industrial disturbance, lightning, fire, earthquake, tsunami, flood, storm, cyclone, typhoon, tornado, governmental restraint, and change in law adversely affecting the rights of that Party under this agreement. Provided that the inducement of worker's strike on account of mismanagement by that Party or lack of funds shall not be interpreted as a cause beyond the reasonable control of a defaulting party.
- 17.2. If a Party is affected by Force Majeure and unable to carry out its obligations under this Agreement, it shall give the other Party a notice of Force Majeure, describing the circumstance of Force Majeure, including the nature of the occurrence, its expected duration and the particular obligations affected by it, as soon as practicable but in any event not later than forty eight (48) hours after it becomes aware of the occurrence of Force Majeure or twenty four (24) hours after the resumption of any means of communication for giving the other Party such notice and continue to furnish weekly reports with respect thereto during the period of Force Majeure.
- 17.3. If a Party is unable to carry out any of its obligations under this Agreement, on account of Force Majeure (the 'Non-Performing Party'), this Agreement shall remain in effect but, save otherwise provided herein, the Non-Performing Party's obligations under this Agreement shall remain suspended without liability during the continuation of Force Majeure circumstance. Provided that the liabilities of either Party that arose before the Force Majeure causing the suspension of performance shall not be excused as a result of the Force Majeure.
- 17.4. The affected Party shall use all reasonable efforts to mitigate the effects of a Force Majeure Event.
- 17.5. So long as the affected Party has at all times since the occurrence of the Force Majeure Event complied with the obligations of clause [●] (Notification Obligations) and clause [●] (Duty to Mitigate) and continues to so comply, then (i) the affected Party shall not be



liable for any failure or delay in performing its affected obligations, except payment obligations, under or pursuant to this Agreement during the existence of a Force Majeure Event and (ii) any affected performance deadline that the affected Party is obligated to meet under this Agreement shall be extended; provided, however, that no relief, including the extension of performance deadlines, shall be granted to the affected Party pursuant to this clause [●] to the extent that such failure or delay would have nevertheless been experienced by the affected Party had the Force Majeure Event not occurred. Other than for breaches of this Agreement by the other Party occurring prior to the Force Majeure Event, and without prejudice to the affected Party's right to payment pursuant to Article [●] accruing prior to the Force Majeure Event, the other Party shall not bear any liability for any Loss suffered by the affected Party as a result of a Force Majeure Event.

- 17.6. Notwithstanding the provisions of Clause [●] above where a Force Majeure event continues to exist for a continuous period of [●] days then either party shall be at liberty to terminate this Agreement.

ARTICLE – XVIII: EVENT OF DEFAULT, BREACH AND TERMINATION

18.1. DISCO Events of Default

Each of the following events shall be events of default by DISCO (each a “DISCO Event of Default”), which, if not cured within the time permitted, shall give rise to the right on the part of Generation Company to terminate this Agreement pursuant to clause [●] (Termination Notices); provided that no such event shall be a DISCO Event of Default (i) if it results from a breach by Generation Company of this Agreement, (ii) if it occurs as a result of a Force Majeure Event (iii) because of an Emergency:

18.1.1. Assignments

(i) The assignment or transfer of this Agreement without the prior written consent of Generation Company or (ii) the transfer, conveyance, loss or relinquishment of DISCO’s right to own and / or operate DISCO’s or any material part thereof to any other Person without the prior written consent of Generation Company, which consent shall not be unreasonably withheld.

18.1.2. Dissolution or Reorganization

Except for the purpose of an amalgamation or corporate reconstruction that does not affect the ability of the amalgamated or reconstructed entity(s) to perform its obligations under this Agreement, the occurrence of any of the following events: (i) the passing of a resolution by the shareholders of DISCO for the winding up of DISCO; (ii) the appointment of a receiver or conservator in a proceeding for the winding up of DISCO after notice to DISCO and due hearing, which appointment shall not have been set aside or stayed within ninety (90) Days of such appointment; or (iii) the making by the court of an order winding up DISCO that is not stayed or reversed by a court of competent authority within thirty (30) Days.

18.1.3. Misrepresentations

Any statement, representation or warranty made by DISCO herein proving to have been incorrect, in any material respect and such failure or incorrect statement, representation or warranty having a material adverse effect on DISCO’s ability to perform its obligations under this Agreement;

18.1.4. Revocation of DISCO Distribution Licence

The Agreement shall be considered terminated if the Disco's Distribution Licence is Revoked by the competent Authority

18.1.5. Tampering

Tampering with the Generation Company Interconnection Facilities, Metering System and the Backup Metering System by DISCO or its employees, contractors and/or sub-contractors.

18.1.6. Breach of Obligations

Any material breach of this Agreement by DISCO (which shall include any failure on part of DISCO to provide use of the Distribution Facilities to Generation Company, that is not remedied within ninety (90) Days of receipt of notice from Generation Company to DISCO that states that a material breach of the Agreement has occurred that could result in the termination of the Agreement and identifies the breach in question in reasonable detail and demands remedy thereof.

18.1.7. Failure to construct DISCO Interconnection Facilities

Failure on part of DISCO to construct and commission the DISCO Interconnection Facilities and DISCO Interconnection Works as set out in Schedule [-] (Connection Sites, Interconnection and Capacity).

18.1.8. Failure to ensure uninterrupted distribution system capacity

Persistent failure to comply with the NEPRA's Performance Standards for Distribution on part of DISCO to ensure its obligations as mentioned in clause [-].

18.2. Generation Company Events of Default

Each of the following events shall be events of default by Generation Company (each, a "Generation Company Event of Default"), which if not cured within the time period permitted to cure, shall give rise to the right on the part of DISCO to terminate this Agreement pursuant to clause [-] (Termination Notices), provided, however, that no such event shall be a Generation Company Event of Default (i) if it results from a breach by DISCO of this Agreement or (ii) if it occurs as a result of a Force Majeure Event or (iii) because of an emergency.

18.2.1. Assignments

(i) The assignment or transfer of this Agreement without the prior written consent of DISCO or (ii) the transfer, conveyance, loss or relinquishment of Generation Company's right to own and / or operate Generation Company's facilities or any material part thereof to any other person without the prior written consent of DISCO, which consent shall not be unreasonably withheld.

18.2.2. Winding Up

Except for the purpose of an amalgamation or reconstruction that does not affect the ability of the amalgamated or reconstructed entity to perform its obligations under this Agreement, the occurrence of any of the following events: (i) the passing of a resolution by the shareholders of Generation Company for the winding up of Generation Company; (ii) the appointment of a receiver or conservator in a proceeding for the winding up of Generation Company after notice to Generation Company and due hearing, which appointment shall not have been set aside or stayed within ninety (90) Days of such appointment; or (iii) the making by the court of an order winding up Generation Company that is not stayed or reversed by a court of competent authority within thirty (30) Days;

18.2.3. Misrepresentations

Any statement, representation or warranty made by Generation Company herein proving to have been incorrect, in any material respect and such failure or incorrect statement, representation or warranty having a material adverse effect on Generation Company's ability to perform its obligations under this Agreement.

18.2.4. Revocation of Generation Licences

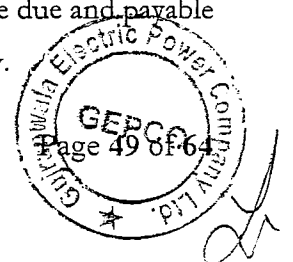
The Agreement shall be considered terminated if the Generation Company's Generation Licence is Revoked by the competent Authority

18.2.5. Tampering

Tampering with the DISCO Interconnection Facilities, Metering System and the Backup Metering System by Generation Company or its employees.

18.2.6. Payment Default

Failure of Generation Company to make payment of amounts due by the due and payable date, in which case clause (Termination for Payment Default) shall apply.



18.2.7. Breach of Covenants

Any material breach of this Agreement by Generation Company, that is not remedied within ninety (90) Days of notice from DISCO to Generation Company that states of a material breach of the Agreement being occurred which could result in the termination of the Agreement, identifies the breach in question in reasonable detail, and demands remedy thereof.

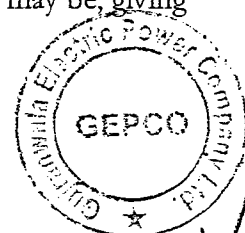
18.2.8. Failure to construct Generation Company Interconnection Facilities

Failure on part of Generation Company to construct and commission the Generation Company Interconnection Facilities and Generation Company Interconnection Works in accordance with and within the time periods set out in Schedule [-] (Connection Sites, Interconnection and Capacity).

18.3. Termination Notices

18.3.1. Notice of Intent to Terminate

- (i) Upon occurrence of a DISCO Event of Default that is not cured within ninety (90) days of Generation Company notifying DISCO of such default, then Generation Company may, at its option, initiate termination of this Agreement by delivering a written notice ("Notice of Intent to Terminate") of its intent to terminate this Agreement to DISCO, as the case may be.
- (ii) Similarly, upon occurrence of a Generation Company Event of Default that is not cured within ninety (90) days of DISCO notifying Generation Company of such default, then DISCO, at its option, may initiate termination of this Agreement by delivering a Notice of Intent to Terminate to Generation Company.
- (iii) Provided, that no Notice of Intent to Terminate may be served in respect of any event of default in circumstances where the matter giving rise to such event of default is the subject of Expert determination in accordance with clause [-] (Resolution by Expert). The Notice of Intent to Terminate shall specify in reasonable detail the DISCO Event of Default or the Generation Company Event of Default, as the case may be, giving rise to the Notice of Intent to Terminate.



18.3.2. Termination Notice

Upon expiration of the consultation period described in clause [-] (Consultation; Cure) and unless the Parties shall have otherwise agreed or unless the event of default giving rise to the Notice of Intent to Terminate shall have been remedied, the Party having given the Notice of Intent to Terminate may terminate this Agreement by delivering a forty five (45) days written termination notice (the "Termination Notice") to the other Party, whereupon this Agreement shall unless withdrawn by the affected Party or where the event of default is otherwise cured to the satisfaction of the Party serving the Termination Notice, terminate upon expiry of the Termination Notice.

18.3.3. Termination for Payment Default

- (i) In the event of the failure of Generation Company to make payment of amounts by the Due and Payable Date, DISCO may at any time after such due and payable date issue a Notice of Intent to Terminate to Generation Company, requiring cure of such payment default within forty-five (45) Days.
- (ii) If Generation Company fails to cure such payment default with the stipulated forty-five (45) Days, DISCO may terminate this Agreement with immediate effect by serving a written notice of termination.
- (iii) For the avoidance of doubt, De-energisation or Re-energisation pursuant to clause [-] (Payment Default) shall have no bearing on DISCO's right to terminate pursuant to this Section.

18.3.4. Termination of Market Participation Agreement

In the event of the termination of the Market Participation Agreement, this Agreement shall stand terminated without further notice.

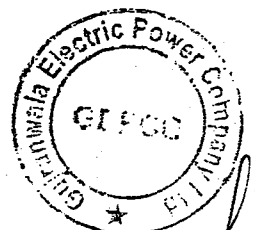
18.3.5. No Other Termination Rights

No Party shall have any right to; terminate this Agreement except (i) as expressly provided in this Article [-] (Events of Default and Termination) or (ii) by mutual agreement.

18.4. Obligations Upon Termination

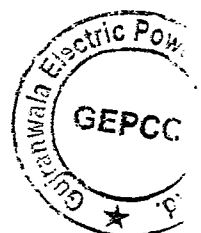
Upon termination of this Agreement as detailed above in this Article, the defaulting Party shall have the obligation to adequately compensate the terminating Party, the Parties shall

have no further obligations hereunder except for obligations that arose prior to such termination and obligations that expressly survive such termination pursuant to this Agreement.



ARTICLE - XIX: LIABILITY

- 19.1. Except as required by Article-XX and Article -VIA, neither Party shall be liable to the other Party in contract, tort, warranty, strict liability or any other legal theory for any indirect, consequential, incidental, punitive or exemplary damages. Neither Party shall have any liability to the other Party except pursuant to, or for breach of, this Agreement; provided, however, that this provision is not intended to constitute a waiver of any rights of one Party against the other with regard to matters unrelated to this Agreement or any activity not contemplated by this Agreement.



ARTICLE -XX: INDEMNITY

20.1. INDEMNITY BY THE GENERATION COMPANY

Subject to compliance by DISCO with its obligations under this Agreement and the Distribution Code, the Generation Company shall indemnify, hold harmless and defend DISCO against any and all damages, fines, penalties, claim, cost, expense, payment obligation, liability or loss incurred, suffered, sustained or required to be paid, directly or indirectly, by, or sought to be imposed upon, DISCO, which DISCO may incur under or pursuant to or as a consequence of the breach of obligations by the Generation Company under this Agreement or the Distribution Code.

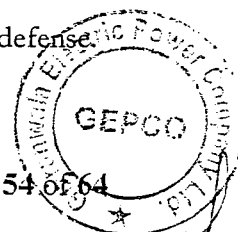
20.2. INDEMNITY BY DISCO

Subject to compliance by the Generation Company with its obligations under this Agreement and the Distribution Code, DISCO shall indemnify, hold harmless and defend the Generation Company against any and all damages, fines, penalties, claim, cost, expense, payment obligation, liability or loss incurred, suffered, sustained or required to be paid, directly or indirectly, by, or sought to be imposed upon, the Generation Company, which the Generation Company may incur under or pursuant to or as a consequence of the breach of obligations by DISCO under this Agreement or the Distribution Code.

20.3. INDEMNIFICATION PROCEDURES

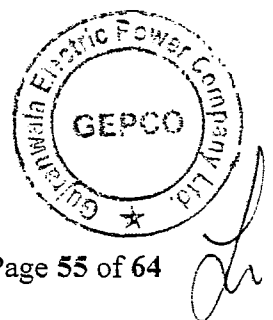
20.3.1. Each Party shall promptly notify the other Party of any loss, claim, proceeding or other matter in respect of which it is or it may be entitled to indemnification under this Article. Such notice shall be given as soon as is reasonably practicable after the relevant Party becomes aware of such loss, claim, proceeding or other matter.

20.3.2. In the event the claim for indemnification arises out of a claim by a third party ("Third Party Claim"), the indemnifying Party shall be entitled, at its option and expense and with counsel of its selection, to assume and control the defense of the Third Party Claim at its expense, with counsel of its selection, subject to the prior approval of the indemnified Party; provided, however, it gives prompt notice of its intention to do so to the indemnified Party, and reimburses the indemnified Party for the reasonable costs and expenses incurred by the indemnified Party prior to assumption by the indemnifying Party of such defense.



20.3.3. Upon assumption by the indemnifying Party of the control of the defense of a Third-Party Claim, the indemnifying Party shall reimburse the indemnified Party for the reasonable costs and expenses of the indemnified Party in the defense of the Third-Party Claim prior to the indemnifying Party's acknowledgment of the indemnification and assumption of the defense.

20.3.4. Neither Party shall be entitled to settle or compromise any Third-Party Claim without the prior written consent of the other Party, provided, however, that after agreeing in writing to indemnify the indemnified Party, the indemnifying Party may settle or compromise any Third-Party Claim without the approval of the indemnified Party.



ARTICLE – XXI: DISPUTE RESOLUTION

21.1. Resolution by Parties

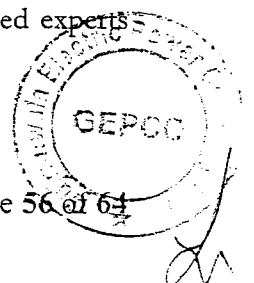
21.1.1. In the event that a Dispute arises in respect of Articles II (*Appointment of Operating Committee, Operating Committee, Operating Procedures, Consents and Information Sharing*), Article IV & V (*Interconnection Capacity, Connection and Energization Right*), Article VI (*Interconnection Works and Interconnection Facilities*), Article IX (*Communication Facilities and Despatch Instructions*), Article X (*Safety and Protection*), Article XI (*Metering & Meter Reading*) and the Schedules relating thereto, the Parties shall refer the Dispute to the Operating Committee, for its review and recommendations and attempted resolution, where appropriate.

21.1.2. In the event that the Operating Committee is unable to reach agreement or resolution within thirty (30) Days, then either Party may refer the matter to the Expert in accordance with clause 21.2 hereof.

21.2. Resolution by Expert

21.2.1. In the event that the Parties are unable to resolve a Dispute in accordance with, or a Dispute is not required to be referred to the Operating Committee pursuant to, clause 21.1, then any Party, in accordance with this clause 21.2, may refer the Dispute to an expert (the “**Expert**”) for consideration of the Dispute and to obtain a recommendation from the Expert as to the resolution of the Dispute.

21.2.2. The Party initiating submission of the Dispute to the Expert shall provide the other Party with a notice stating that it is submitting the Dispute to an Expert and nominating the person it proposes to be the Expert. The other Party shall, within fifteen (15) Days of receiving such notice, notify the initiating Party whether such person is acceptable, and if such nominated Expert is not acceptable to the responding Party, the responding Party shall propose a person to be the Expert. If the Party receiving such notice fail to respond or notifies the initiating Party that the person is not acceptable, the Parties shall meet and discuss in good faith for a period of ten (10) Days to agree upon a person to be the Expert. If the Parties are unable to agree, the responding Party shall by the end of such ten (10) Day period nominate a person to be an expert, whereupon the two nominated experts shall meet and agree upon a third person who shall be the Expert.



21.2.3. Consideration of the Dispute by an Expert shall be initiated by the Party who is seeking consideration of the Dispute by the Expert submitting to both, the Expert and the other Party written materials setting forth:

- (i) a description of the Dispute;
- (ii) a statement of the Party's position; and
- (iii) copies of records supporting the Party's position.

21.2.4. Within ten (10) Days of the date that a Party has submitted the materials described in clause 21.2.3, the other Party may submit to the Expert:

- (i) a description of the Dispute;
- (ii) a statement of the Party's position; and
- (iii) copies of any records supporting the Party's position.

21.2.5. The Expert shall consider any such information submitted by the responding Party within ten (10) Days of the receipt thereof and, in the Expert's discretion, may consider any additional information submitted by any Party at a later date.

21.2.6. Each Party shall designate one person knowledgeable about the issues in Dispute who shall be available to the Expert to answer questions and provide any additional information requested by the Expert. Except for such person, a Party shall not be required to, but may, provide oral statements or presentations to the Expert or make any individuals available to the Expert.

21.2.7. Except as provided in clause 21.2.9 with respect to the payment of costs, the proceedings shall be without prejudice to any Party and any evidence given or statements made in the course of this process may not be used against a Party in any other proceedings. The process shall not be regarded as an arbitration and the laws relating to commercial arbitration shall not apply. Unless the Parties agree in a writing signed by all Parties at the time the Expert is selected stating that the decision of the Expert will be binding, the determination of the Expert shall not be binding.

21.2.8. When consideration of the Dispute by an Expert is initiated, the Expert shall be requested to provide a recommendation within fifteen (15) Days of the expiry of the ten (10) Day

period provided (above) for review of the documents and information submitted by the responding Party under clause 21.2.4. If the Expert's recommendation is given within such fifteen (15) Day period, or if the Expert's recommendation is given at a later time and neither Party has at such time initiated any other proceeding concerning the Dispute, the Parties shall review and discuss the recommendation with each other in good faith for a period of ten (10) Days following delivery of the recommendation before proceeding with any other actions.

21.2.9. If a Party does not accept the recommendation of the Expert with respect to the Dispute, it may initiate proceedings before the NEPRA in a tribunal established under section 11 of the NEPRA Act (the "NEPRA Tribunal"). Similarly, if the Expert has not submitted its recommendation within the time period provided in clause 21.2.8, a Party may initiate proceedings before the NEPRA Tribunal provided that prior to initiating the proceedings it shall have paid all costs of the Expert (including the reimbursement of any costs paid to the Expert by the other Party).

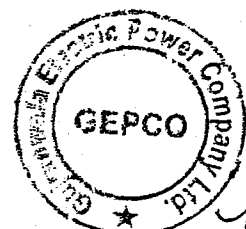
21.2.10. Costs - Except as provided in clause 21.2.9, the costs of engaging an Expert shall be borne equally by the Parties and each Party shall bear its own costs in preparing materials for, and making presentations to, the Expert.

21.3. Proceeding Before NEPRA Tribunal

21.3.1. In the event the Parties are unable to resolve any Dispute arising out of or in connection with this Agreement and not resolved following the procedures described in clause 21.1 and 21.2 shall be finally settled by the NEPRA Tribunal in accordance with the Applicable Documents.

21.3.2. Resolution and decision by the NEPRA Tribunal shall be the exclusive method for dispute resolution. Both Parties undertake to implement the NEPRA Tribunal decision, which shall be binding upon each Party. The Party that intends to refer the Dispute to the NEPRA Tribunal shall send a notice to the other Party informing the other Party that it intends to initiate proceedings before the NEPRA Tribunal under this clause and the provisions of the NEPRA Act. The notice shall briefly specify the nature of the Dispute and within thirty (30) days of the receipt of the notice from the Party seeking to initiate proceedings, the other Party shall respond to the letter received from the Party initiating the Dispute, laying out its defense or its version on the Dispute.

21.3.3. The Parties shall continue to perform their obligations under this Agreement during the course of the proceedings before NEPRA Tribunal or other dispute resolution proceedings under this Agreement.



ARTICLE – XXII: MISCELLANEOUS PROVISIONS

22.1. NOTICES

22.1.1. All notices and other communications required or permitted to be given by a Party shall be in writing and either delivered personally or by courier or sent by facsimile to the address or number of the other Party specified below:

(i) If to DISCO:

Attention: Chief Executive Officer

Address: [--]

Facsimile: [--]

(ii) If to the Generation Company:

Attention: The Chief Executive Officer

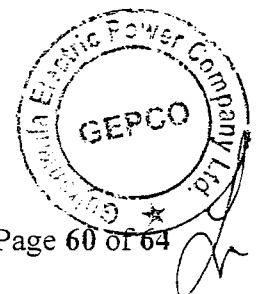
Address: [--]

Facsimile: [--]

Provided that a Party may change the address to which notices are to be sent to it by giving not less than thirty (30) days prior written notice to the other Party in accordance with this Clause.

22.1.2. No notice or other communication shall be effective until received or deemed received. Notices or other communications shall be deemed to have been received by the receiving Party:

- (i) when delivered personally;
- (ii) two (2) working days after sending, if sent by courier; or
- (iii) upon sending if sent by facsimile, subject to confirmation of an uninterrupted Distribution report and provided that a hard copy is dispatched not later than the following working day to the recipient by courier or personal delivery.



22.2. AMENDMENT

An amendment or modification of this Agreement shall be effective or binding on a Party only if made in writing and signed by a duly authorized representative of each of the Parties.

22.3. NO WAIVER

No default by either Party in the performance of or compliance with any provision of this Agreement shall be waived or discharged except with the express written consent of the other Party. No waiver by either Party of any default by the other in the performance of or compliance with any of the provisions of this Agreement shall operate or be construed as a waiver of any other or further default whether of a like or different character.

22.4. ASSIGNMENT

No assignment, novation or transfer by a Party of this Agreement or such Party's rights or obligations hereunder shall be effective without the prior written consent of the other Party.

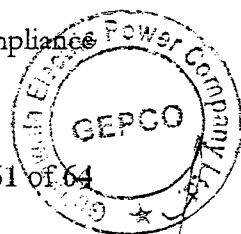
22.5. CONFIDENTIALITY

22.5.1. This Agreement and all information disclosed hereunder or in connection with this Agreement shall be treated as confidential and (except as provided in Clause 22.5.3 below) either Party without the prior consent of the other Party shall not disclose such information in whole or in part.

22.5.2. This obligation does not apply to information that (when used or disclosed) has been made public other than through a breach of this Agreement or has been, or could have been, lawfully acquired by the Party.

22.5.3. Notwithstanding the provisions of Clause 22.5.1 above, neither Party shall be required to obtain the prior consent of the other in respect of disclosure of information:

- a) to directors and employees and Affiliates of such Party, provided that such Party shall use reasonable endeavors to ensure that such Affiliates keep the disclosed information confidential on the same terms as are provided in this Clause;
- b) to persons professionally engaged by or on behalf of such Party; provided that such Persons shall be required by such Party to undertake to keep such information confidential and that such Party shall use reasonable endeavors to secure compliance with such undertaking;



- c) to any government department or any governmental or regulatory agency having jurisdiction over such Party but only to the extent that such Party is required by law to make such disclosure;
- d) to any party or entity up until and through the Closing Date, to provide with regular progress reports with respect to the implementation of this Agreement;
- e) to:
 - (i) any lending or other financial institution in connection with the financing of such Party's operations; or
 - (ii) any bona fide intended assignee, novatee or transferee of the whole or any part of the rights and interests of the disclosing Party under this Agreement;

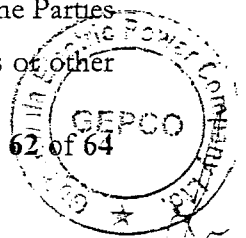
but (in either case) only to the extent required in connection with obtaining such finance or in respect of such proposed assignment, novation or transfer and subject to such institution or intended assignee or transferee first agreeing with such Party to be bound by confidentiality provisions substantially the same as those contained in this Clause.

22.6. COUNTERPARTS

This Agreement may be executed in two (2) or more original copies and each such copy may be executed by each of the Parties in separate counterparts, each of which copies when executed and delivered by the Parties shall be an original, but all of which shall together constitute one and the same instrument.

22.7. SEVERABILITY, PARTIAL INVALIDITY AND ENTIRETY

- 22.7.1. If any term or provision of this Agreement is determined by a court or other authority of competent jurisdiction to be invalid, void, illegal, unenforceable or against public policy, the remaining provisions of this Agreement shall remain in full force and effect and will not be affected by such determination in any way.
- 22.7.2. The illegality, invalidity or unenforceability of any provision of this Agreement in whole or in part shall not affect the legality of any other provision or part thereof.
- 22.7.3. This Agreement shall be the full and final expression of the agreement between the Parties on the matters contained herein. All prior written or oral understandings, offers or other



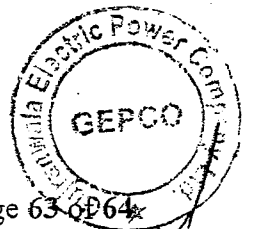
communications of every kind pertaining to the transactions hereunder are hereby abrogated and withdrawn.

22.8. GOOD FAITH

In meeting its obligations under this Agreement, both Parties shall have and observe an obligation of good faith towards the other Party and to adopt all reasonable measures to ensure the realization of the objectives of this Agreement. Each of the Parties agrees to cooperate with each other, as appropriate, in respect of the other's obligations hereunder.

22.9. GOVERNING LAW

This Agreement shall be governed by and construed in accordance with the laws of Pakistan as amended from time to time.



Handwritten signature or initials.

IN WITNESS WHEREOF, the Parties have executed and delivered this Agreement in _____, Pakistan as of the date first above written.

[•]

[•]

By: _____

Title: _____

By: _____

Title: _____

Witness: _____

Witness: _____

Name: _____

Name: _____

