

**FRAMEWORK GAS TRANSPORTATION  
AGREEMENT**

**BETWEEN**

**PIPELINE INFRASTRUCTURE LIMITED  
(AS TRANSPORTER)**

**AND**

**(AS SHIPPER)**

**DATED**



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## FRAMEWORK GAS TRANSPORTATION AGREEMENT

This Framework Gas Transportation Agreement (“**Framework Agreement**”) made on the .... day of ..... 2023, (the “**Framework Agreement Execution Date**”) between:

- (1) **Pipeline Infrastructure Limited**, a company incorporated under the Companies Act, 2013, having its Registered Office at Seawoods Grand Central, Tower-1, 3rd Level, C Wing - 301 to 304, Sector 40, Seawoods Railway Station, Navi Mumbai, Thane, Maharashtra - 400706, India and its Regional Office at B-301, Statesman house, 148, Barakhamba Road, New Delhi-110001 (“**Transporter**”); and

- (2) ....., a company duly constituted and existing under the Companies Act, [1956 / 2013] with its registered office at .....(“**Shipper**”)

**RECITALS:**

- (A) **WHEREAS**, Transporter owns and operates a Common Carrier Gas pipeline system in India from Kakinada in the State of Andhra Pradesh, through the States of Telangana, Karnataka and Maharashtra, Silvassa, Union Territory of Daman, Dadra and Nagar Haveli and to Bharuch, in the State of Gujarat, referred to as the “**PIL Pipeline**”;
- (B) **WHEREAS**, Shipper may require Transportation Service from Transporter from time to time for transportation via the PIL Pipeline of Shipper’s Gas from the Entry Point to the Exit Point, for onward transportation in the Downstream Pipeline to the Consumer’s Facilities;
- (C) **WHEREAS**, Transporter and Shipper desire to enter into a framework agreement containing terms and conditions to be incorporated by reference into such gas transportation agreements as may be executed by the Parties from time to time substantially in the form set out at Exhibit B2 for the provision of Transportation Service on a firm basis, subject to the terms herein (each a “**GTA**”); and
- (D) **WHEREAS**, Shipper has executed (or shall execute) one or more GSPAs (or an agreement / arrangement) for making Gas available, which is to be transported under any GTAs to be entered into pursuant to this Framework Agreement. Shipper has also executed (or shall execute) an agreement with the Downstream Pipeline Operator and /or the Upstream Pipeline Operator (as may be applicable) for transportation of Gas.
- (E) **WHEREAS**, Transporter agrees to provide such Transportation Service in accordance with the PNGRB regulations in effect and as amended from time to time.

**NOW, THEREFORE, THE PARTIES HEREBY AGREE** as follows:

**CLAUSE 1 - DEFINITIONS AND INTERPRETATION**

**1.1 Definitions.**

Except as stated otherwise, capitalized terms used in this Framework Agreement shall have the following meanings:

“**Acceptable Pressure Range**” means in respect of each Point specified in a GTA, the acceptable pressure range for each such Point as specified in such GTA.

“**Acceptable Temperature Range**” means in respect of each Point specified in a GTA, the acceptable temperature range for each such Point as specified in such GTA.

“**Affected Party**”, where used in Clause 11, has the meaning given to such term in Clause 11.1, and where used in Clause 12, has the meaning given to such term in Clause 12.1 as the context so requires.

“**Affiliate**” means any company (i) which is directly or indirectly controlled by a Party; (ii) which, directly or indirectly, controls a Party; or (iii) which is, directly or indirectly, controlled by a company which also, directly or indirectly, controls a Party. For the purposes of this definition, “control” means

- (a) the right to cast more than fifty percent (50%) of the votes exercisable at an annual general meeting of the relevant Person (or its equivalent) or ownership of more than fifty percent (50%) of the equity share capital of or other ownership interests in such Person;
- (b) the right to appoint or dismiss a majority of the directors of the relevant Person; or
- (c) the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of the relevant Person, whether through the ownership of voting securities, through contract or otherwise.

“**Allocated Quantity**” means, in respect of a GTA, the quantity of Gas in MMBtu attributed to Shipper at the applicable Entry Point or at the applicable Exit Point, as the case may be, on a Day in accordance with the measurement and allocation procedures of the Operating Code.

“**Alternative Gas**” has the meaning given to such term in Clause 11.11.

“**Anti-Corruption Laws**” shall mean the Prevention of Corruption Act, 1988; the Benami Transactions (Prohibition) Act, 1988; the Prevention of Money Laundering Act, 2002; the United States Foreign Corrupt Practices Act of 1977; and the United Kingdom Bribery Act of 2010, in each case as amended from time to time, including rules, regulations or guidelines, issued by the Government Entities in relevant jurisdictions.

“**Arbitration Act**” means the Arbitration and Conciliation Act 1996 applicable in India.

“**Associated Persons**” means, with respect to a Party the directors, officers, employees and authorized representatives and agents of such Party.

“**Authorised Overrun Quantity**” means, with respect to an Exit Point, any quantity of Gas in MMBtu on any Day equal to the difference, if positive, between (i) the Scheduled Quantity and (ii) the MDQ applicable to that Point.

“**Bar**” is the unit of pressure and shall have the meaning as defined in ISO 1000:1981(E), and “**Barg**” means Bar gauge.

“**British Thermal Unit**” and its abbreviation “**Btu**” mean the quantity of heat required to raise the temperature of one (1) avoirdupois pound of pure water from fifty-nine

degrees Fahrenheit (59°F) to sixty degrees Fahrenheit (60°F) at an absolute pressure of fourteen decimal six nine six pounds per square inch (14.696 psi).

“**Business Day**” means any day in a week other than a Sunday or a day declared by the Government of India to be public holiday under the provisions of the Negotiable Instruments Act, 1881, as applicable in Mumbai.

“**Change in Law**” has the meaning given to such term in Clause 12.1.

“**Claim**” means any claim, demand, proceeding, investigation, judgment, or cause of action.

“**Commissioning Period**” has the meaning given to such term in Clause 4.4(a).

“**Common Carrier**” has the meaning as defined in clause (j) of section 2 of the PNGRB Act and means such pipelines for transportation of petroleum, petroleum products and natural gas by more than one entity as the Board may declare or authorise from time to time on a non-discriminatory open access basis under sub-section (3) of section 20 of the Act.

“**Conditions Precedent**” has the meaning given to such term in Clause 3.1(a).

“**Confidential Information**” has the meaning given to such term in Clause 15.13(a).

“**Consequential Loss**” means all consequential loss or damage caused indirectly, including loss of actual savings, anticipated savings or either or both of these, loss of anticipated profit, revenue or either or both of these, loss of use, loss of agreement, loss or deferment of production, business interruption or increased cost of working or either of both of these, any indirect, special or consequential loss or damage or any or all of these howsoever caused, including by the negligence or breach of duty (statutory, contractual or otherwise) of the Parties or by any other tortious act or omission or breach of contract by the Parties (arising out of or in connection with this Framework Agreement and whether or not foreseeable).

“**Consumer’s Facilities**”, in respect of a GTA, has the meaning given to such term in such GTA.

“**Contract Gas**” has the meaning given to such term in Clause 11.11.

“**Contract Year**” means, in respect of a GTA, the period commencing at 06:00 hours on the first day of April of one year and ending at 06:00 hours on the first day of April of the following year, except the first Contract Year shall commence at 06:00 hours on the Start Date and end at 06:00 hours on the following first day of April, and the last Contract Year shall end on the date of expiration or termination of the relevant GTA.

“**Cumulative Imbalance Quantity**” means, in respect of a GTA, as of the end of any Day, the sum of:

- (a) the total cumulative Daily Imbalance Quantities outstanding at the start of the Day (which shall be zero on the Start Date, but for each subsequent day shall be

the Cumulative Imbalance Quantity carried over from the end of the previous Day); plus

(b) the Daily Imbalance Quantity for such Day.

**“Daily Cumulative Imbalance Charge”** has the meaning given to such term in Clause 5.4(c).

**“Daily Imbalance Quantity”** means, in respect of a GTA, for each Day, the total Allocated Quantity at the Entry Point minus the total Allocated Quantity at the Exit Point.

**“Day”** means a period of twenty-four (24) consecutive hours beginning at 06:00 hours on a day and ending at 06:00 hours on the following day.

**“Degree Celsius”** and its abbreviation **“°C”** mean the particular interval between the actual temperature in Kelvin and the reference temperature two seven three decimal one five degrees Kelvin (273.15°K) as defined in ISO 1000-1981(E).

**“Dispute”** has the meaning given to such term in Clause 16.1.

**“Disputed Amount”** has the meaning given to such term in Clause 8.4(a).

**“Downstream Pipeline”** where applicable, means the Gas pipeline system, necessary to transport the Gas, delivered hereunder by Transporter, from the interconnection with Transporter’s Facilities at the Exit Point to the Gas inlet facilities of the Consumer Facilities.

**“Downstream Pipeline Operator”** means the operator of the Downstream Pipeline.

**“DNQ”** means, in respect of a GTA, the daily nominated quantity of Gas in MMBtu stated in a nomination properly submitted by Shipper to Transporter in accordance with the procedures of the Operating Code and this Framework Agreement; provided that on any Day that Shipper fails to nominate a DNQ, the DNQ in effect on the previous Day shall apply.

**“Due Date”** has the meaning given to such term in Clause 8.3(a).

**“End Date”** means, in respect of a GTA, the date specified as such in the GTA.

**“Entry Point”** means, in respect of a GTA, the point as specified in the GTA at which the Gas delivered or caused to be delivered by Shipper is injected into the PIL Pipeline.

**“Entry Point MDQ”** means, in respect of a GTA, the maximum quantity of Gas, measured in MMBtu, that Transporter is obligated (subject to the terms of the GTA) to accept on behalf of or from Shipper at the relevant Entry Point on a Day under the GTA, as the same is specified in such GTA.

**“Execution Date”** means, in respect of a GTA, the date specified as such in such GTA.



**“Exit Point”** means, in respect of a GTA, the point as specified in the GTA at which Gas is withdrawn from PIL Pipeline for redelivery for the account of Shipper under the GTA.

**“Exit Point MDQ”** means, in respect of a GTA, the maximum quantity of Gas, measured in MMBtu, that Transporter is obligated (subject to the terms of the GTA) to make available for redelivery to Shipper at the relevant Exit Point on a Day under the GTA, as the same is specified in such GTA.

**“Force Majeure”** has the meaning given to such term in Clause 11.1.

**“Fortnight”** means, in respect of a GTA:

- (c) a period commencing on the first (1<sup>st</sup>) Day of a Month and ending on the fifteenth (15<sup>th</sup>) Day of such Month; and
- (d) a period commencing from the sixteenth (16<sup>th</sup>) Day of the Month and ending on the last Day of such Month;

Provided, however, that the first Fortnight shall begin on the Start Date and the last Fortnight shall end on the date of expiry or termination of such GTA.

**“Fortnightly Invoice”** has the meaning given to such term in Clause 8.1.

**“Framework Agreement”** has the meaning given to such term in the Preamble.

**“Framework Agreement End Date”** means 31<sup>st</sup> March 2025

**“Framework Agreement Execution Date”** has the meaning given to such term in the Preamble.

**“Gas”** means any hydrocarbons and other gases consisting primarily of methane which at a temperature of fifteen Degrees Celsius (15°C) and at an absolute pressure of one decimal zero one three two five Bar (1.01325 Bar) are or is predominantly in the gaseous state.

**“Government Entities”** shall mean

- (a) Government Instrumentality
- (b) Any public international organisation or supranational body and its institutions, departments, agencies and instrumentalities.

**“Government Instrumentality”** means the Government of India, the Government of any State in India, or any political subdivision, ministry, department, agency, corporation, commission or any regional, local or municipal authority or governmental body thereof or any other governmental or statutory body under the direct or indirect control of the Government of India or any State in India, or of any political subdivision, ministry, department, agency, corporation, commission or any regional, local or municipal authority or governmental body thereof, and shall include any other governmental or statutory body or regulatory body having jurisdiction over any part of the Consumer’s Facilities, Downstream Pipeline or the Transporter’s Facilities, or

over the performance of any obligation of either Party under this Framework Agreement or the relevant GTA.

**“Government Owned Party”** means a Party which, at the time of the relevant event, is an Affiliate of a Government Instrumentality, provided that for the purposes of this definition, the term **“control”** when used in the definition of **“Affiliate”** means:

- (a) the right to cast twenty-six percent (26%) or more of the votes exercisable at an annual general meeting of such Party (or its equivalent) or ownership of twenty-six percent (26%) or more of the equity share capital of or other ownership interests in such entity;
- (b) the right to appoint or dismiss a majority of the directors thereof; or
- (c) the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Party, whether through the ownership of voting securities, through contract or otherwise.

**“Gross Heating Value”** or its abbreviation **“GHV”** means the quantity of heat, expressed in Btu or Kcal, produced by the complete combustion at constant pressure of one (1) Standard Cubic Meter of Gas, with the air at the same temperature and pressure as the Gas and the products of combustion are cooled to original temperature and the water formed by combustion is condensed to liquid state.

**“GSPA”** means in respect of a GTA, the gas sales and purchase agreement or such other document for arrangement made by Shipper (as “Buyer” thereunder and referred to as “Buyer or Shipper” as the context may require in this agreement) for procurement of Gas to be tendered by the Shipper at the Entry Point pursuant to such GTA entered into hereunder, which GSPA shall be designated in such GTA. GSPA may also include an agreement between seller and its buyer for gas sold through an exchange platform and “Buyer” may include entities that purchase Gas from the seller through an exchange platform and undertakes transportation of such Gas either by itself or by utilizing the services of Shipper under a separate arrangement.

**“GTA”** has the meaning given to such term in the Recitals.

**“Imbalance Charges”** means the charges calculated in accordance with Clause 5.4.

**“Indemnified Party”** has the meaning given to such term in Clause 14.5(a).

**“Indemnifying Party”** has the meaning given to such term in Clause 14.5(a).

**“Insolvency Event”** means, with respect to a Party, the following:

- (a) such Party voluntarily commences, or consents to, any proceedings or files any petition seeking its liquidation, reorganization, dissolution, winding up or other relief under bankruptcy, insolvency, receivership, or similar laws applicable to such Party;
- (b) such Party makes an assignment for the benefit of its creditors due to or admits in writing, its inability to pay debts as they become due;

- (c) a court of competent jurisdiction enters an order or decree appointing a receiver, liquidator or trustee for such Party, or such Party consents to the appointment of a receiver, liquidator, or trustee; or
- (d) the filing of a petition by a Third Party seeking the liquidation, reorganization, dissolution, winding-up or other relief under the provisions of any applicable bankruptcy, insolvency, receivership, or similar laws, in respect of a Party, and such petition is not dismissed within one hundred and twenty (120) days of its filing.

**“Interest”** means a charge for delayed payment on the amount remaining unpaid or disputed applicable from the due date for payment to the date of actual payment of such amount and the same shall be calculated by multiplying (a) the difference in the amount agreed or determined to be due and payable and the amount actually paid by (b) the ratio of the number of days from the original due date to the date of actual payment to three hundred and sixty-five (365) by (c) the State Bank of India’s Base Rate (SBIBR) (highest one during the period where such amount remained unpaid) plus six decimal two five percent (6.25 %) per annum accruing on a daily basis and compounded annually.

**“Kcal”** means one thousand (1,000) calories and is equal to three decimal nine six eight two five four (3.968254) Btu.

**“Law”** means any act, statute, notification, bylaw, rule, regulation, directive, ordinance, order, judgement, decree, administrative order or instruction having the force of law enacted or issued by any Government Instrumentality.

**“Lenders”** has the meaning given to such term in Clause 15.1(b).

**“Losses”** means all losses, damages, penalties, and costs (including reasonable attorney fees plus court costs), including losses, damages, penalties and costs associated with any harm to the environment, any injury or harm to or death of any person, or any damage or loss of property.

**“Liquidated Damages”** has the meaning given to such term in Clause 6.2(a).

**“MDQ”** or **“Maximum Daily Quantity”** means, in respect of a GTA, the applicable Entry Point MDQ or the applicable Exit Point MDQ.

**“Measured Quantity”** has the meaning given to such term in the Operating Code

**“MMBtu”** means one million Btu.

**“Month”** means, in respect of a GTA, the period commencing at 06:00 hours on the first day of a month and ending at 06:00 hours on the first day of the following month, except the first Month shall commence at 06:00 hours on the Start Date and end at 06:00 hours on the first day of the following month, and the last Month shall end on the date of expiration or termination of the GTA.

**“Monthly Ship-or-Pay Deficiency”** shall have the meaning given to such term in Clause 5.2(c).

“**Monthly Ship-or-Pay Payment**” shall have the meaning given to such term in Clause 5.2(d).

“**Monthly Ship-or-Pay Quantity**” shall have the meaning given to such term in Clause 5.2(b).

“**National Gas Grid System**” means network of all such natural gas pipelines within India which are fully interconnected with each other (including those which are partly commissioned and so interconnected) and as enlisted in the schedule C to the PNGRB Determination of Natural Gas Pipeline Tariff regulations or any other schedule or section which may be inserted in its place - in subsequent amendments to the regulation. .

“**Negative Imbalance Rate**” means the rate specified as such in Exhibit A.

“**Net Heating Value**” or its abbreviation “**NHV**” means the quantity of heat, expressed in Btu or Kcal, produced by the complete combustion at constant pressure of one (1) Standard Cubic Meter of Gas, with the air at the same temperature and pressure as the Gas and all the water formed by combustion reaction remaining in the vapour state.

“**Off-Spec Gas**” in respect of a GTA means Gas tendered at the Entry Point or tendered for redelivery at the Exit Point under such GTA which fails to meet the Specifications.

“**Operating Code**” means the general operating principles in respect of the Transportation Service for Gas attached as Exhibit E, as such may be modified from time to time in accordance with its terms or by mutual agreement of the Parties.

“**Operational Flow Order**” has the meaning given to such term in the Operating Code.

“**Party**” means Transporter or Shipper, individually, and “**Parties**” means Transporter and Shipper, collectively.

“**Person**” means any person, company, partnership, joint venture, association, corporation or other body corporate and any Government Instrumentality.

“**Planned Works**” has the meaning given to such term in Clause 10.1.

“**PIL Pipeline**” shall have the meaning as set forth in the Recitals

“**PNGRB**” shall mean Petroleum and Natural Gas Regulatory Board

“**PNGRB Act**” shall mean Petroleum and Natural Gas Regulatory Board Act 2006

“**Point**” means either an Entry Point or an Exit Point, as the context requires.

“**Positive Imbalance Rate**” means the rate specified as such in Exhibit A.

“**Reasonable and Prudent Operator**” means a Person seeking in good faith to perform its contractual obligations hereunder and, in the process of doing so and in the overall conduct of its whole undertaking exercising that degree of diligence, prudence and foresight which can reasonably and ordinarily be expected from a skilled and experienced operator engaged in the same type of undertaking under the same or

similar circumstances, and any reference to the standard of a Reasonable and Prudent Operator means such degree of diligence, prudence and foresight as aforesaid.

“**Scheduled Quantity**” has the meaning given to such term in Section 6.2 of the Operating Code.

“**Shipper**” shall have the meaning as set forth in the Preamble to this Framework Agreement.

“**Shipper Cure Period**” has the meaning given to such term in Clause 13.2(a)(iii).

“**Shipper Default Notice**” has the meaning given to such term in Clause 13.2(a)(i).

“**Shipper Event of Default**” has the meaning given to such term in Clause 13.1(a).

“**Shipper LC**” has the meaning given to such term in Clause 8.8(a).

“**Shipper Deposit**” has the meaning given to such term in Clause 8.8(h)

“**Shipper Termination Notice**” has the meaning given to such term in Clause 13.2(a)(v).

“**Shipper’s Facilities**” shall have the meaning given to such term in the applicable GTA.

“**Shortfall Quantity**” has the meaning given to such term in Clause 6.1(a).

“**Specifications**” has the meaning given to such term in the Operating Code.

“**Standard Cubic Meter**” and its abbreviation “**SCM**” mean the quantity of Gas that occupies a volume of one (1) cubic meter at a temperature of fifteen Degrees Celsius (15°C) under an absolute pressure of one decimal zero one three two five Bar (1.01325 Bar).

“**Start Date**” means, in respect of a GTA, the date specified as such in the GTA.

“**System Use Gas**” or “**SUG**” means the quantity of Gas used by Transporter for the operation and maintenance of Transporter’s Facilities, including for compressors, gas heaters, close cycle vapour or thermo electric gas turbines for cathodic protection, and supervisory control and data acquisition (SCADA).

“**Tariff**” has the meaning given to such term in Clause 5.1(c).

“**Taxes**” means all present and future taxes, levies, imposts, service tax, VAT, GST, duties and fees of any nature whatsoever whether imposed directly or indirectly including by any authorised or empowered governmental, regional, local, municipal or State authority or body of a Government Instrumentality but excluding any tax on the income, profit, wealth, ownership or possession of any asset such as corporate income tax, wealth tax and property tax.

“**Third Party**” means any Person other than Transporter or Shipper.

**“Transportation Charges”** means in respect of each GTA the charges payable by Shipper to Transporter in connection with Transportation Service under the GTA as determined in accordance with Clause 5.1.

**“Transmission Loss”** means the quantity of Gas which is unaccounted for whatsoever reason including blow downs, venting or releases during regular operation and maintenance of the pipeline system or due to inaccuracy of custody meter.

**“Transportation Services”** means the service consisting of taking delivery of gas from Seller on behalf of Shipper at the Entry Point for the purpose of transportation/transmission and making available gas in equivalent energy terms at the Exit Point in accordance with the terms and conditions laid down in this Framework Agreement and complying with the provisions of regulations.

**“Transporter”** shall have the meaning as set forth in the Preamble to this Framework Agreement.

**“Transporter Cure Period”** shall have the meaning as set forth in Clause 13.2(b)(ii).

**“Transporter Default Notice”** has the meaning given to such term in Clause 13.2(b)(i).

**“Transporter Event of Default”** has the meaning given to such term in Clause 13.1(b).

**“Transporter’s Facilities”** means the PIL Pipeline and all related and ancillary facilities operated by Transporter, including all compressors, spur lines, ancillary equipment, Gas measurement equipment, Gas analysis equipment, buildings, and other facilities, as such facilities may be extended or expanded from time to time.

**“Transporter Termination Notice”** has the meaning given to such term in Clause 13.2(b)(v).

**“Tribunal”** has the meaning given to such term in Clause 16.2(b).

**“Unauthorised Overrun Charge”** means the charge calculated in accordance with Clause 5.3.

**“Unauthorised Overrun Quantity”** means, in respect of a GTA, the difference, if positive, between Shipper’s Allocated Quantity at the Exit Point and 110% of the Scheduled Quantity at the Exit Point for the Day.

**“Unauthorised Overrun Rate”** means the rate specified as such in Exhibit A of this Framework Agreement.

**“Unified Contractual Path”** means the route on the National Gas Grid System between the Unified Entry Point and the Unified Exit Point for a Shipper.

**“Unified Entry Point”** in respect of a GTA, is the point as specified in the GTA where Shipper injects or cause to inject Gas into the National Gas Grid System.

**“Unified Exit Point”** in respect of a GTA, is the point as specified in the GTA where Shipper evacuates or cause to evacuate Natural Gas from the National Gas Grid System.

**“Unified Tariff”** means the unit natural gas pipeline tariff, applicable for the Unified Contractual Path as determined by the Government Instrumentality from time to time, in accordance with the PNGRB regulations for Determination of Natural Gas Pipeline Tariff, Second Amendment Regulations, 2020. The Unified Tariff in respect of a GTA shall be set forth in such GTA.

**“Unified Tariff Ratio”** means a ratio of the Unified Tariff applicable for the Unified Contractual Path, that the Transporter is allowed to invoice a Shipper. The Unified Tariff Ratio shall be notified by the relevant Government Instrumentality from time to time, and shall be set forth in the GTA.

**“Upstream Operator”** means in respect of a GTA, the operator of the facilities for supply of Gas, to be transported pursuant to such GTA identified under the GSPA, provided that:

- (a) where such Gas is regasified from liquefied natural Gas delivered at a regasification terminal in India, then the aforesaid facilities shall be limited to only such regasification terminal and shall not include any upstream gas fields or production facilities; and
- (b) notwithstanding anything to the contrary, such facilities will not include the Upstream Pipeline.

**“Upstream Pipeline”** where applicable, means in respect of a GTA, the Gas pipeline system necessary to transport the Gas from the facilities of Upstream Operator for delivery into the Transporter’s Facilities at the Entry Point under the terms of such GTA.

**“Upstream Pipeline Operator”** means operator of the Upstream Pipeline.

**“Wilful Misconduct”** means an act or omission by a Party and/or the respective directors and senior officers or managers (meaning any employee of a Party who functions at a management or a senior supervisory level and who directs major or significant operations and activities of such Party) of the Party that constitutes gross negligence or demonstrates an intentional and conscious, or reckless, disregard of any provision of this Framework Agreement or the relevant GTA, but for the avoidance of doubt shall not in any case include:

- (a) any act or omission reasonably required to meet emergency conditions, including the safeguarding of life and property; or
- (b) any error of judgment or mistake made in good faith in the exercise of any function, authority or discretion vested in or exercisable by such Party and/or its respective directors and senior officers or managers.

**“Year”** means a period of three hundred sixty-five (365) consecutive days; provided, however, that any such Year that contains the date 29 February shall consist of three hundred sixty-six (366) consecutive days.

## 1.2 Interpretation and Construction:

In this Framework Agreement and each GTA:

- (a) Unless the context otherwise requires, reference to the singular shall include a reference to the plural and vice-versa; and reference to any gender shall include a reference to the other gender.
- (b) Unless the context otherwise requires, reference to any Clause or Exhibit, shall be to a Clause or Exhibit of this Framework Agreement, and a reference to any Section shall be to a Section of the Operating Code.
- (c) The Exhibits of this Framework Agreement, GTAs and letter agreements executed pursuant to this Framework Agreement form an integral part of this Framework Agreement. In the event of any conflict between any provision of any Clause and any provision of the Exhibits, the provision of the Clause shall prevail. In the event of any conflict between any provision of any Clause and any provision of any GTA, the provision of the GTA shall prevail.
- (d) A reference to any Law, statute, regulation, proclamation, ordinance or by-law includes all Laws, statutes, regulations, proclamations, ordinances, or by-laws amending, varying, consolidating or replacing them, and a reference to a statute includes all Laws, regulations, proclamations, ordinances and by-laws issued under that statute.
- (e) Any reference to time shall, except where the context otherwise requires, be construed as a reference to the time in force in India. Any reference to calendar shall be construed as reference to the Gregorian calendar and a non-capitalised reference to a day, week, month, quarter or year means a calendar day, week, month, quarter or year respectively.
- (f) The headings of Clauses and Exhibits are inserted for convenience of reference only and shall not affect the meaning or interpretation of this Framework Agreement or the GTA, as applicable.
- (g) The words “include” or “including” shall be deemed to be followed by “without limitation” or “but not limited to” whether or not they are followed by such phrases.
- (h) Unless the context otherwise requires, any period of time referred to shall be deemed to expire at the end of the last date of such period.
- (i) This Framework Agreement and each GTA are made and executed in the English language, which shall be the governing text for all purposes.
- (j) References to quantities of gas in this Framework Agreement or any GTA shall be in MMBtu. Any reference to MMBtu in this Framework Agreement or any GTA shall be based on the Gross Heating Value of the Gas unless otherwise specified.



- (k) Words and abbreviations that have well known technical or trade/commercial meanings are used in this Framework Agreement or any GTA in accordance with such meanings.
- (l) Any reference to a Party includes that Party's successors and permitted assigns.
- (m) A reference to a document includes an amendment or supplement to, or replacement or novation of, that document other than any amendment, supplement, replacement or novation made in breach of this Framework Agreement or the relevant GTA.
- (n) The words "agree" or "agreement" refer to an agreement in writing and "consent" means consent in writing.
- (o) Unless otherwise defined in Clause 1.1, capitalised terms used in this Framework Agreement shall bear the same meaning attributed to them in the Operating Code.

## **CLAUSE 2 - TRANSPORTATION SERVICE**

### **2.1 Contracting Process:**

- (a) Shipper and Transporter may, in accordance with this Framework Agreement, enter into one or more transactions for the Transportation Service in Transporter's Facilities, as may be requested by Shipper pursuant to Clause 2.1(b) below. Each transaction shall be governed by the terms of the GTA entered into pursuant to the terms hereof.
- (b) In the event Shipper wishes to enter into a GTA, Shipper may submit a request to Transporter in respect thereof, containing the details set out in Exhibit B1. If Transporter confirms to Shipper that it accepts such request, the Parties shall execute such GTA within ten days, failing which such request expires, and Shipper shall submit a new request in accordance with this Clause 2.1(b) if it still wishes to enter into a GTA.
- (c) Each GTA shall be entered into substantially in the form set out in Exhibit B2 and shall incorporate the terms of this Framework Agreement and the Operating Code by reference. Each GTA shall form an individual and several contract between the Parties.
- (d) Notwithstanding any provision of this Framework Agreement,
  - (i) neither Party shall be under any obligation whatsoever, express or implied, to perform or receive and pay for Transportation Service unless and until the Parties execute a GTA with respect to such Transportation Service; and
  - (ii) neither Party shall be under any obligation whatsoever, express or implied, to agree to or execute any GTA at any time.

## **2.2 Transporter's Obligation to Provide Transportation Service:**

- (a) Subject to the prior execution of a GTA in accordance with this Framework Agreement, Transporter shall perform Transportation Service for Shipper commencing on the applicable Start Date under such GTA in accordance with and subject to the terms and conditions therein (which shall incorporate by reference the terms and conditions of this Framework Agreement).
- (b) Without prejudice to the other terms and conditions of this Framework Agreement and the relevant GTA, Transporter's obligation to provide Transportation Service shall be limited as follows:
  - (i) Transporter shall not be obligated to make available at the Exit Point quantities of Gas in excess of the quantities of Gas accepted by Transporter at the Entry Point (subject to the provisions of Section 9 of the Operating Code regarding the resolution of imbalances).
  - (ii) Transporter shall not be obligated to perform Transportation Service in respect of quantities of Gas in excess of the Exit Point MDQ.
  - (iii) Transporter may consider, but shall be under no obligation to accept, any request made by Shipper for Transportation Service in respect of Authorised Overrun Quantities. Transporter may at any time restrict, limit, or cancel any Authorised Overrun Quantity under the provisions of Operating Code. Transporter shall incur no liability to Shipper for failure to schedule or accept any Authorised Overrun Quantity.
- (c) In providing Transportation Service, Transporter shall have the right to commingle Shipper's Gas with other Gas in Transporter's Facilities.
- (d) Transporter shall provide (or pay for in cash) the quantities of Gas required for line pack and System Use Gas, and the PIL Pipeline's Tariff shall include an allowance for recovery of the costs of such quantities of Gas. At the request of Transporter, Shipper shall sell or provide its pro rata share of Gas for such purposes at the prevailing market price, in proportion to Shipper's Exit Point MDQ. In the event that the PIL Pipeline's Tariff does not include an allowance for recovery of the costs for Transmission Loss and System Use Gas and Transporter is allowed under the applicable Laws to recover such quantities of Gas in kind from Shipper, Shipper shall provide quantities of such Gas required.
- (e) In accordance with and subject to the terms and conditions of this Framework Agreement and the relevant GTA, Transporter shall be responsible for the payment of Liquidated Damages with respect to Shortfall Quantities pursuant to Clause 6.

## **2.3 Shipper's Obligations with Respect to Transportation Service:**

- (a) Subject to the prior execution of a GTA in accordance with this Framework Agreement, in consideration of Transporter's obligations to provide Transportation Service pursuant to the GTA, Shipper shall be responsible for the payment of Transportation Charges and, if applicable, Monthly Ship-or-Pay

Payments, Unauthorised Overrun Charges, and Imbalance Charges (as well as any other charges as may be applicable with respect to this Framework Agreement and the relevant GTA), in accordance with and subject to the terms and conditions of such GTA (which shall incorporate by reference the terms and conditions of this Framework Agreement).

- (b) As a condition to utilising the Transportation Service, Shipper shall comply with the nomination provisions of the Operating Code and of all other applicable terms and conditions of this Framework Agreement, the relevant GTA, and the Operating Code.

#### **2.4 Standard of Performance:**

Each Party shall act as a Reasonable and Prudent Operator in the exercise of its respective rights and the performance of its respective obligations under this Framework Agreement and the relevant GTA.

#### **2.5 Operating Code:**

The Operating Code shall apply to Transportation Service provided under this Framework Agreement and the relevant GTA.

#### **2.6 Timing of Commencement of Transportation Service:**

The effectiveness, duration and timing of the Parties' rights and obligations with respect to the Transportation Service provided by Transporter under this Clause 2 shall be expressly subject to Clauses 3 and 4.

#### **2.7 Title to Gas, Acknowledgements and Authorisation:**

- (a) Transporter shall not have nor receive title to any quantities of Gas delivered at the Entry Point by Shipper under a GTA.
- (b) Transporter shall issue to the "Sellers" under the GSPA, on Shipper's behalf, an acknowledgement in the form of Exhibit C or any other format proposed by the Transporter in discussions with the Sellers for the Allocated Quantity of Gas received on each Day at the Entry Point, promptly following the determination of Allocated Quantity for each Day.
- (c) For performing Transportation Service, Transporter is authorised by Shipper to:
  - (i) receive quantities of Gas at the Entry Point from the Upstream Operator or the Upstream Pipeline Operator (as applicable) on behalf of Shipper; for providing Transportation Service; and
  - (ii) deliver such quantities at the Exit Point to Shipper or, as applicable, to the Downstream Pipeline Operator at such Point on behalf of Shipper.
- (d) References under this Framework Agreement or the relevant GTA to the tender or delivery of Gas by Shipper at the Entry Point or to the offtake or receipt of Gas by Shipper at the Exit Point shall include such actions taken by the Upstream Operator or the Upstream Pipeline Operator or the Downstream

Pipeline Operator (as applicable), or other party designated by Shipper, on Shipper's behalf.

- (e) Transporter shall provide through e-mail or post on the Transporter's website an allocation of the Measured Quantity at each Point to each of the shippers at such Point for each Day in accordance with the Operating Code.

### **CLAUSE 3 - CONDITIONS PRECEDENT**

#### **3.1 Conditions Precedent:**

- (a) The Parties agree that, except as set forth in Clause 3.2, the rights and obligations of the Parties pursuant to each GTA shall not become effective and that neither Party shall have any duty, obligation or liability under such GTA unless and until the relevant conditions precedent specified in such GTA (the "**Conditions Precedent**"), if any, have been satisfied by the relevant Party or duly waived by both Parties. If there are no Conditions Precedent specified in the GTA, this Clause 3.1 shall not apply to such GTA and such GTA shall become fully effective on the date of its execution.
- (b) Each Party shall use its reasonable endeavours to ensure the satisfaction of the Conditions Precedent.
- (c) Each Party shall inform the other Party of any fact or circumstance that either prevents or delays or may prevent or delay the satisfaction of any Conditions Precedent expressed in the GTA to be satisfied by such first-mentioned Party, as soon as reasonably practicable after it becomes aware of such fact or circumstance.
- (d) Each Party shall, promptly upon the satisfaction of each of its Conditions Precedent, give the other Party written notice that the relevant Conditions Precedent have been so satisfied.
- (e) Except as may otherwise be mutually agreed by the Parties in a GTA, in the event that the Conditions Precedent in respect of a GTA have not been either fully satisfied or mutually waived by the Parties by the required date stated for such event in the GTA, either Party may, by notice to the other Party, terminate such GTA effective immediately upon delivery of such notice.

#### **3.2 Effectiveness upon Execution:**

In respect of a GTA, the provisions of Clause 1 (Definitions and Interpretation), this Clause 3 (Conditions Precedent), Clause 9 (Representations, Warranties and Covenants), Clause 14.1 (Limitations on Liability), Clause 14.4 (Indemnification for Breach of Representations and Warranties and Covenants), Clause 14.5 (Conduct of Proceedings), Clause 14.6 (Mitigation), Clause 15 (Miscellaneous Provisions) and Clause 16 (Dispute Resolution) shall become effective as to such GTA on the Execution Date, regardless of whether the Conditions Precedent of Clause 3.1 have been satisfied or waived.

## CLAUSE 4 - TERM

### 4.1 Start Date for Each GTA

Subject to Clause 3 and Clause 4.4, the Start Date for a GTA shall be the date upon which the rights and obligations of the Parties under such GTA come into effect with respect to:

- (a) Transportation Service under Clause 2;
- (b) the payment of Transportation Charges under Clause 5;
- (c) the payment of Liquidated Damages under Clause 6; and
- (d) all other terms and conditions of the GTA that are not already effective as of the Execution Date pursuant to Clause 3.2.

### 4.2 Duration of Each GTA

- (a) Each GTA shall come into force and effect on its Execution Date, subject to Clauses 3.1 and 3.2, and shall expire on the End Date, unless the GTA is terminated earlier pursuant to the terms hereof; provided, however, the “End Date” under any GTA shall not extend beyond the Framework Agreement End Date. Termination of any GTA, howsoever caused, shall be without prejudice to any rights or remedies that may have accrued to a Party prior to the date of such termination, and any provisions of this Framework Agreement and such GTA necessary for the exercise of such accrued rights or remedies shall survive termination of this Framework Agreement and such GTA, including the right to resolve physical imbalances pursuant to Section 9 of the Operating Code (and without prejudice to Clause 15.18).
- (b) Upon notice prior to the End Date of any GTA, Parties may extend the validity of GTA upon request from Shipper, which request shall be made by Shipper providing details set out in Exhibit B3.

### 4.3 Duration of Framework Agreement

This Framework Agreement shall come into force and effect upon its execution and shall continue in force and effect until the earlier of (i) the Framework Agreement End Date; or (ii) the termination by either Party upon notice to the other Party, immediately effective upon the receipt of such notice, provided, however, that the provisions of this Framework Agreement shall survive in respect of any executed GTA for such period and to the extent necessary for the performance of any obligation under such GTA and for no other purpose. Validity of the Framework Agreement may be extended by the mutual agreement of the Parties.

### 4.4 Commissioning Period:

- (a) For any GTA, the “**Commissioning Period**”, if any, shall be as specified in the relevant GTA. If no such Commissioning Period is specified in a GTA, this Clause 4.4 shall not apply to such GTA.

- (b) The GTA shall set forth any modifications of the applicability of certain terms and conditions of this Framework Agreement, including any provisions relating to Monthly Ship-or-Pay Payment or other charges, during such Commissioning Period, if any.
- (c) To the extent the GTA does not expressly modify the applicability of the terms and conditions of this Framework Agreement during a Commissioning Period or does not establish a Commissioning Period, all terms and conditions of this Framework Agreement shall apply during the full duration of such GTA subject to Clause 3.

## CLAUSE 5 - CHARGES

### 5.1 Transportation Charges:

- (a) Commencing from the Start Date of each GTA, Shipper shall pay to Transporter, for each Fortnight during the term of the relevant GTA, the “**Transportation Charges**” in accordance with the provisions of this Clause 5.1.
- (b) The Transportation Charges for each Fortnight shall be equal to the summation for each Day in the Fortnight of the product of:
  - (i) the Allocated Quantity at the Exit Point on such Day, and
  - (ii) the applicable Tariff.
- (c) The “**Tariff**” shall mean the maximum tariff rate in INR/MMBtu that Transporter is permitted by Law to charge for the Transportation Service from time to time. The Tariff shall be set forth in such GTA which the Parties may execute, and which the Parties shall amend from time to time to reflect the Tariff then in effect.
- (d) The Tariff fixed by the relevant Government Instrumentality as a product of Unified Tariff and Unified Tariff Ratio, shall be the effective Tariff for the purposes of each GTA. For avoidance of doubt, Shipper shall be charged Unified Tariff based on the applicable Unified Tariff zone for the Unified Contractual Path. This Tariff is subject to review and revisions by the relevant Government Instrumentality from time to time and shall apply to Transportation Service rendered by Transporter under any GTA, and Shipper shall pay Transportation Charges at such approved revised Tariff under the respective GTA. Provided further in the event, if the relevant Government Instrumentality approves with retrospective effect the revised Tariff in respect of such GTA, Transporter shall adjust the difference in amounts if any, paid by the Shipper prior to the approval of such Tariff through the issuance of debit or credit notes.
- (e) In the event that a GTA has been prematurely terminated prior to the End Date for any reason or expired on the End Date, if the relevant Government Instrumentality approves with retrospective effect the revised Tariff in respect of such GTA only after such termination or expiry and the revised Tariff differs

from the Tariff as set forth in such GTA, the Transporter shall calculate the difference in amounts paid by the Shipper prior to approval of such revised Tariff, and notify in writing the Shipper of such difference. If such difference is negative (where the revised Tariff exceeds the Tariff as set forth in such GTA), the Shipper shall pay to the Transporter the difference, and if such difference is positive (where the Tariff as set forth in such GTA exceeds the revised Tariff), the Transporter shall pay to the Shipper the difference, in each case, within four (4) Business Days of such notification by the Transporter.

## 5.2 Monthly Ship-or-Pay

- (a) In respect of any GTA, for each Month from and after the applicable Start Date (subject to any express provisions of the GTA in respect of any Commissioning Period as referenced in Clause 4.4), Shipper shall nominate and tender for transportation hereunder a quantity of Gas (as determined at the Exit Point) equal to at least ninety percent (90%) of the Monthly Ship-or-Pay Quantity, or Shipper will be responsible to Transporter for payment of the applicable Monthly Ship-or-Pay Payment with respect to any Monthly Ship-or-Pay Deficiency pursuant to this Clause 5.2 (subject to the other terms and conditions of this Framework Agreement and the relevant GTA).
- (b) The “**Monthly Ship-or-Pay Quantity**” in respect of each GTA for each Month means a quantity of Gas (expressed in MMBtu) equal to: (1) the summation of the Exit Point MDQ for each Day in the relevant Month, minus (2) the following quantities in the Month:
  - (i) the quantity of Gas that Transporter fails to schedule in accordance with such GTA or the scheduled quantities for which Transporter fails to provide the Transportation Service in accordance with such GTA on certain days in the Month, provided such quantities are not made good by scheduling or delivering excess quantities on the remaining days within that Month;
  - (ii) any quantity of Gas for which Transporter is excused from providing Transportation Service due to Force Majeure affecting the Transporter’s Facilities or any quantity of Gas for which Transporter is excused from providing Transportation Service, pursuant to the Planned Works provisions of Clause 10;
  - (iii) any quantity of Gas for which Transporter is excused from providing Transportation Service due to curtailment order or Operational Flow Orders in accordance with the provisions of the Operating Code;
  - (iv) any quantity of Gas that Transporter tenders for redelivery at the Exit Point but that Shipper rejects by exercising its rights pursuant to Clause 7.3 other than as provided in Clause 7.3(d); and
  - (v) any quantity of Gas that Shipper is unable to tender or accept for redelivery due to Force Majeure affecting the Shipper’s Facilities;

provided, however, that:

- (I) if the same quantity of Gas would qualify for subtraction under more than one of Clauses 5.2(b)(i) to (v), it shall be subtracted only once;
  - (II) the Monthly Ship-or-Pay Quantity cannot be less than zero;
  - (III) notwithstanding anything to the contrary in the other provisions of such GTA, the quantities subtracted on any Day in the respective Month shall not exceed: (x) in respect of Clause 5.2(b)(v), the difference between MDQ at the Exit Point and higher of DNQ or Allocated Quantity at the Exit Point, (y) in respect of each of the Clauses 5.2(b)(i) to (iv), the lower of MDQ or DNQ at the Exit Point for such Day, and (z) the sum of the quantities subtracted on any Day under Clause 5.2 (b) shall in no case exceed the difference between MDQ at the Exit Point and the Allocated Quantity at the Exit Point; and
- (c) The “**Monthly Ship-or-Pay Deficiency**” for each GTA means the difference, if positive, between (i) ninety percent (90%) of the applicable Monthly Ship-or-Pay Quantity in a given Month minus (ii) the aggregate of the Allocated Quantity at the Exit Point in such Month. If such difference is negative, the Monthly Ship-or-Pay Deficiency for such Month shall be deemed to be zero.
  - (d) If there is a Monthly Ship-or-Pay Deficiency for a Month, then Shipper shall pay to Transporter an amount (the “**Monthly Ship-or-Pay Payment**”) equal to such Monthly Ship-or-Pay Deficiency multiplied by the applicable Tariff.
  - (e) For the avoidance of doubt, quantities of Gas tendered by Shipper at the Entry Point that fail to meet the Acceptable Pressure Range shall be treated as Gas that Shipper failed to tender for the purposes of determining the Monthly Ship-or-Pay Deficiency.

### 5.3 **Unauthorised Overrun Charges:**

In addition to payment of the Transportation Charges, Shipper shall be responsible to Transporter for the payment of “**Unauthorised Overrun Charges**” for each Fortnight under each GTA (subject to any express provisions of the GTA in respect of any Commissioning Period as referenced in Clause 4.4) equal to the summation for each Day in the Fortnight of the product of:

- (a) any Unauthorised Overrun Quantity on that Day; and
- (b) the Unauthorised Overrun Rate.

Provided further, any Unauthorised Overrun Quantity arising out of or attributable to the Transporter shall not be the subject of Unauthorised Overrun Charges.

### 5.4 **Imbalances and Imbalance Charges:**

- (a) In addition to payment of the Transportation Charges, Shipper shall be responsible to Transporter for the payment of the aggregate sum (the “**Imbalance Charges**”) for each Fortnight under each GTA (subject to any express provisions of the GTA in respect of any Commissioning Period as



referenced in Clause 4.4) equal to the summation of the Daily Cumulative Imbalance Charges in such Fortnight.

- (b) In respect of a GTA, the Daily Imbalance Quantity can be positive (where deliveries by Shipper at the Entry Point exceed the offtake by Shipper at the Exit Point) or negative (where deliveries by Shipper at the Entry Point were less than the offtake by Shipper at the Exit Point) in accordance with the Operating Code.
- (c) **“Daily Cumulative Imbalance Charge”** means for each GTA, for any Day, the absolute value of the Cumulative Imbalance Quantity multiplied by either the Positive Imbalance Rate (in the case of a positive Cumulative Imbalance Quantity) or the Negative Imbalance Rate (in the case of a negative Cumulative Imbalance Quantity). For the avoidance of doubt, if the Cumulative Imbalance Quantity is within the limits set out in Exhibit A, such that the Positive Imbalance Rate or the Negative Imbalance Rate is zero, then the Daily Cumulative Imbalance Charge in respect of that Day shall be zero.
- (d) The terms of this Clause 5.4 shall be without prejudice to the obligations of the Parties to resolve physical imbalances as set out in Section 9 of the Operating Code.
- (e) Notwithstanding other provisions of this Framework Agreement or the relevant GTA, and for the avoidance of doubt, any Daily Imbalance Quantity caused by Transporter’s failure to redeliver at the Exit Point the quantities of Gas accepted by Transporter from Shipper at the Entry Point or to receive at the relevant Entry Point quantities of Gas properly offtaken by Shipper at the relevant Exit Point shall not be the subject of Daily Cumulative Imbalance Charge.

## **5.5 Taxes:**

- (a) The Transportation Charges and other charges and payments, as applicable under this Framework Agreement and any GTAs entered into hereunder, are exclusive of Taxes. Shipper shall pay Transporter for the amount of any Taxes leviable for providing the Transportation Service or for any such charges or payments, at the then-prevailing rates including any revision in rates or introduction of new taxes by any Government Instrumentality, applicable to Transportation Service and other charges and payments, as applicable under this Framework Agreement and the relevant GTA. Shipper shall be responsible for payment of any penalties that may be imposed on Transporter for Transporter’s failure to pay Taxes when due resulting from Shipper’s failure to pay on the due date any Taxes validly invoiced. Transporter shall refund to Shipper, by way of credit note or direct refund at Transporter’s option, the amount of any Taxes that had been paid by Shipper to Transporter and that were refunded by the relevant Government Instrumentality to, and received by, Transporter.
- (b) The amounts payable by Shipper to the Transporter shall be subject to deduction of tax at source, if applicable and such deduction shall be in accordance with the certificate issued by the relevant authority for concessional rate of tax (including nil rate of tax) from time to time. Shipper shall provide the valid tax deduction at source certificate within 30 days from the date of filing of such tax

deduction at source returns failing which same shall construe failure to pay under Clause 8.6.

## **CLAUSE 6 - SHORTFALL AND LIQUIDATED DAMAGES**

### **6.1 Shortfall Quantities:**

- (a) “**Shortfall Quantity**” in respect of each GTA, which shall be determined in accordance with the Clause 6.1 (d) below, may arise for any Month on and after the applicable Start Date (subject to any express provisions of the GTA in respect of any Commissioning Period as referenced in Clause 4.4), if Transporter:
- (i) fails to schedule; or
  - (ii) fails to provide the Transportation Services for the Scheduled Quantity; or
  - (iii) tenders for redelivery at the Exit Point but that Shipper rejects by exercising its rights pursuant to Clause 7.3 other than as provided in Clause 7.3(d),

unless such failure on the part of Transporter was excused or permitted under the terms and conditions of this Framework Agreement or the relevant GTA (including pursuant to the Planned Works provisions of Clause 10 and the Force Majeure provisions of Clause 11) or under the Operating Code.

Provided, however, that if the same quantity of Gas would qualify for counting as a Shortfall Quantity under more than one of Clauses 6.1(a)(i) to (iii), it shall be counted only once.

- (b) For the avoidance of doubt, a Shortfall Quantity shall not include any of the following quantities of Gas (in MMBtu):
- (i) any quantities of Gas that Transporter failed to schedule but would have been excused from transporting under the terms and conditions of this Framework Agreement, the relevant GTA, or the Operating Code (including pursuant to the Planned Works provisions of Clause 10 and Force Majeure provisions of Clause 11) (for the avoidance of doubt, Transporter is excused from failing to schedule any quantity of Gas when the Upstream Operator or the Upstream Pipeline Operator or the Downstream Pipeline Operator did not confirm the quantity in accordance with Section 5.3 of the Operating Code);
  - (ii) any portion of a Scheduled Quantity that Transporter failed to deliver due to Shipper’s failure to deliver such portion of Scheduled Quantity at the Entry Point or offtake such Gas at the Exit Point;
  - (iii) any quantity of Gas that Shipper tenders at the Entry Point but that Transporter rejects by exercising its rights pursuant to Clause 7.2;

- (iv) any quantity of Gas for which Transporter failed to schedule or to provide Transportation Service due to a material breach by Shipper of its obligations under this Framework Agreement or the relevant GTA;
- (v) any Authorised Overrun Quantity for which Transporter failed to provide Transportation Service; or
- (vi) any quantity of Gas for which Transporter failed to schedule or to provide Transportation Service during a suspension by Transporter pursuant to Clause 13.

Provided, however, that if the same quantity of Gas would qualify for counting as an exception to being a Shortfall Quantity under more than one of Clauses 6.1(b)(i) to (vi), it shall be counted only once.

- (c) Notwithstanding anything to the contrary in this Framework Agreement or the relevant GTA, Shortfall Quantity shall not include any quantities of Gas expressly excluded from being a Shortfall Quantity under the GTA and Operating Code.
- (d) Shortfall Quantity, in respect of a GTA, in respect of any Month shall be determined as below:
  - (i) 90% of the aggregate of lower of MDQ or DNQ at Exit Point for each Day in respect of such Month; minus
  - (ii) the quantities during such Month which Transporter did not transport but in respect of which Transporter was excused or permitted under the terms and conditions of the GTA (including pursuant to the Planned Works provisions of Clause 10 and Force Majeure provisions of Clause 11) or under the Operating Code; minus
  - (iii) the quantities as provided under Clause 6.1 (b) and 6.1 (c) during such Month; minus
  - (iv) aggregate of the Allocated Quantity at the Exit Point in such Month.

Provided, however, that if the same quantity of Gas would qualify for counting as an exception to being a Shortfall Quantity under more than one of Clauses 6.1(d)(i) to (iv), it shall be counted only once.

If the above results in a negative quantity, the Shortfall Quantity for such Month shall be zero

## 6.2 Liquidated Damages:

- (a) If, in respect of a GTA for any Month, the Shortfall Quantity is positive, then Transporter shall pay liquidated damages (“**Liquidated Damages**”) in respect of such Month under the relevant GTA, equal to the product of:
  - (i) the Shortfall Quantity, and

- (ii) fifty percent (50%) of the applicable Tariff.
- (b) For the avoidance of doubt, if the Shortfall Quantity in a Month is not positive, no Liquidated Damages shall be owing in respect of such Month.
- (c) Shipper shall raise an invoice on the Transporter for any Liquidated Damages along with the applicable taxes and Transporter shall make a payment to the Shipper within four (4) Business Days.
- (d) The Parties acknowledge and agree that the Liquidated Damages specified in this Clause 6.2 constitute genuine and reasonable pre-estimates of losses which Shipper would incur as a result of Transporter's failure to fulfil its obligations to provide the Transportation Service under a GTA, and the payment of such Liquidated Damages by Transporter to Shipper shall be the sole and exclusive remedy of Shipper in respect of the Shortfall Quantity.
- (e) The total aggregate liability of Transporter for Liquidated Damages payable by Transporter in any Contract Year in respect of a GTA, shall be subject to the limitations of Clause 14.1.

## **CLAUSE 7 - QUALITY AND PRESSURE**

### **7.1 Quality:**

Commencing from the Start Date, the Gas tendered by Shipper at the Entry Point and Gas tendered for redelivery by Transporter at the Exit Point under each GTA, shall conform to the Specifications, subject to terms and conditions of this Clause 7.

### **7.2 Shipper's Failure to Comply with Specifications:**

- (a) If Gas tendered at the Entry Point by Shipper under a GTA fails to conform to the Specifications, Transporter (if it is aware of such deficiency) may either:
  - (i) reject all or any part of such Gas, advising Shipper of the reason for such rejection, until the deficiency has been remedied; or
  - (ii) Subject to mutual discussions between the Parties, accept all or any part of such Gas (notwithstanding that it does not conform to the Specifications) in which case (whatever the reason for such deficiency in quality) (A) Shipper shall pay the Transportation Charges and other applicable charges on all Off-Spec Gas accepted and redelivered by Transporter, and (B) Shipper shall pay Transporter all costs and expenses that may be reasonably incurred by Transporter in any manner relating to the acceptance of such Off-Spec Gas and for any additional facilities or treatment for cleaning up or other actions required to be undertaken by Transporter to meet the integrity requirements of the pipeline and/or to upgrade such Gas to the Specifications. Notwithstanding anything to the contrary, Transporter shall not be obliged to accept Off-Spec Gas if such Off-Spec Gas will adversely affect the quality specifications committed by Transporter of other customers of Transporter along the PIL Pipeline.

- (b) Shipper shall promptly notify Transporter in the event it is delivering or expects to deliver Off-Spec Gas at the Entry Point, along with details of the deficiency. Transporter shall notify Shipper as soon as reasonably practicable, but in any event within two (2) hours after receiving notice from Shipper that it will be tendering Off-Spec Gas, of Transporter's decision to either reject or accept such Gas (or a portion of such quantity) pursuant to Clause 7.2(a); provided that if Transporter fails to respond to Shipper's notice within two (2) hours, Transporter shall be deemed to have accepted such Off-Spec Gas. Acceptance of Off-Spec Gas shall be without prejudice to Transporter's continuing right to reject any further deliveries of the Off-Spec Gas.
- (c) If any portion of the Gas tendered by Shipper at the Entry Point fails to conform to the Specifications and if Transporter, not being aware of such deficiency, receives delivery of all or any part of such Gas, Shipper shall (whatever the reason for such deficiency in quality) repay to Transporter all Losses incurred by Transporter in accepting such Gas, including costs and expenses incurred:
  - (i) in cleaning or clearing Transporter's Facilities or rectifying any other damage thereto caused by the acceptance of such Off-Spec Gas;
  - (ii) in disposing of and replacing Gas in Transporter's Facilities contaminated by Shipper's Off-Spec Gas; and
  - (iii) in any measures reasonably taken by Transporter to bring the Off-Spec Gas within the Specifications.
- (d) Transporter shall provide Shipper such information as may be reasonably necessary to verify any costs and expenses claimed by Transporter pursuant to this Clause 7.2.
- (e) The total aggregate liability of Shipper under Clauses 7.2(a)(ii)(B) and 7.2(c) in any Contract Year under any GTA, shall be subject to the limitations of Clause 14.1.

### **7.3 Transporter's Failure to Comply with Specifications:**

- (a) If the Gas tendered for redelivery by Transporter at the Exit Point under a GTA fails to conform to the Specifications, Shipper may either:
  - (i) reject all or any part of such Gas, advising Transporter of the reason for such rejection, until the deficiency has been remedied; or
  - (ii) accept all or any part of the Gas (notwithstanding that it does not conform to the Specifications) in which case (whatever the reason for such deficiency in quality) (A) Shipper shall pay the Transportation Charges and other applicable charges on all Off-Spec Gas accepted by Shipper, and (B) Transporter shall have no liability to Shipper for any Losses incurred by Shipper in accepting such Off-Spec Gas.
- (b) Transporter shall promptly notify Shipper in the event it is delivering or expects to deliver Off-Spec Gas at the Exit Point, along with details of the deficiency. Shipper shall notify Transporter as soon as reasonably practicable, but in any

event within two (2) hours after receiving notice from Transporter that it will be delivering Off-Spec Gas, of Shipper's decision to either reject or accept such Gas pursuant to Clause 7.3(a); provided that if Shipper fails to respond to Transporter's notice within two (2) hours, Shipper shall be deemed to have accepted such Off-Spec Gas. Acceptance of Off-Spec Gas shall be without prejudice to Shipper's continuing right to reject any further deliveries of Off-Spec Gas.

- (c) Subject to subclause (d) below, if any portion of the Gas tendered for redelivery by Transporter fails to conform to the Specifications, and Shipper, not being aware of such deficiency, receives delivery of all or any part of such Gas, Transporter shall repay to Shipper all Losses incurred by Shipper (that were reasonably incurred by Shipper and which were due and owing and actually paid by Shipper to the Downstream Pipeline Operator) in accepting such Gas, including costs and expenses incurred:
  - (i) in cleaning or clearing the Downstream Pipeline or rectifying other damage thereto caused by the acceptance of such Off-Spec Gas;
  - (ii) in disposing of and replacing Gas in the Downstream Pipeline contaminated by such Off-Spec Gas; and
  - (iii) in any measures reasonably taken by the Downstream Pipeline Operator to bring the Off-Spec Gas within specifications.

Provided, however, that Shipper shall only be allowed to recover costs under this Clause 7.3(c) if Shipper elects to reject any further tenders of such Off-Spec Gas upon becoming aware that such Gas does not conform to the Specifications; and provided further that any liability of Transporter under this Clause 7.3(c), in respect of a GTA, shall be subject to the limitations on liability of Clause 14.1.

- (d) Notwithstanding the foregoing, in the event that the failure of the Gas to meet the Specifications at the Exit Point under a GTA was due to Shipper having tendered Off-Spec Gas at the Entry Point under the relevant GTA (unless such Gas was accepted by Transporter in accordance with the Clause 7.2), then:
  - (i) Transporter shall have no liability under this Clause 7.3 in respect of delivering such Gas at the Exit Point; and
  - (ii) any such quantities rejected by Shipper shall not constitute Shortfall Quantity under the relevant GTA and shall not be deducted from the Monthly Ship-or-Pay Quantity.
- (e) Shipper shall provide Transporter such information as may be reasonably necessary for Transporter to verify any costs and expenses claimed by Shipper pursuant to this Clause 7.3.

#### **7.4 Pressure:**

- (a) Gas tendered by Shipper at the Entry Point under each GTA shall meet the pressure requirements and limitations set out in the Operating Code.

- (b) Gas tendered for redelivery by Transporter at the Exit Point under each GTA shall meet the pressure requirements and limitations set out in the Operating Code.
- (c) The maximum allowable operating pressure of Transporter's Facilities is 98 Barg and the Gas tendered by Shipper for transportation at Entry Point shall not exceed such maximum allowable operating pressure.

#### **7.5 Incidental Liquids:**

Any incidental liquids in Transporter's Facilities shall be the property of Transporter, and Transporter shall have the right to separate such liquids from the Gas, provided such removal does not adversely affect Transporter's ability to redeliver Gas in accordance with the terms of this Framework Agreement and the relevant GTA. Transporter may use, sell, dispose or otherwise deal with such incidental liquids and Shipper shall have no right, claim or interest whatsoever, over any such incidental liquid.

### **CLAUSE 8 - BILLING AND PAYMENT**

#### **8.1 Fortnightly Invoice:**

In respect of each GTA, Transporter shall deliver electronically (and shall also forward an original hard copy) to Shipper, as soon as reasonably practicable, following the end of each Fortnight, starting from the Fortnight in which the Start Date for such GTA falls, an invoice for each Fortnight setting forth the amount to be paid by Shipper to Transporter in respect of each such Fortnight (a "**Fortnightly Invoice**"), which amount shall be the sum total of the following for such Fortnight:

- (a) Transportation Charges; plus
- (b) Unauthorised Overrun Charges; plus
- (c) Imbalance Charges; plus
- (d) Monthly Ship-or-Pay Payment in respect of the Month (to be included in the invoice of the second Fortnight of the relevant Month or in the first Fortnight if the End Date falls in that Fortnight); plus
- (e) Taxes.

#### **8.2 Information:**

In respect of each GTA, each Fortnightly Invoice delivered by Transporter in accordance with Clause 8.1 shall also include for each Day in the preceding Fortnight (to the extent the following can be calculated or estimated) the following information (indicating clearly where any items are estimated):

- (a) the Exit Point MDQ;
- (b) the DNQ and the Scheduled Quantity at the Exit Point;

- (c) the Allocated Quantity at the Entry Point;
- (d) the Allocated Quantity at the Exit Point;
- (e) the opening balance and the closing balance of the Cumulative Imbalance Quantity for the Fortnight; and
- (f) any Unauthorised Overrun Quantity for the Exit Point.

### **8.3 Payment Arrangements:**

- (a) In respect of each GTA, on the date (the “**Due Date**”) that is four (4) Business Days after the earlier to occur of (i) date of receipt of the Fortnightly Invoice delivered electronically, or (ii) the date of the receipt of the original hard copy of the Fortnightly Invoice, Shipper shall pay to Transporter the amounts in full set out in such Fortnightly Invoice. For avoidance of doubt, electronic delivery of Fortnightly Invoices includes delivery via fax, e-mail and the web hosting of such invoices on Transporters’ website and such electronically delivered Fortnightly Invoices shall carry a facsimile signature. If Fortnightly Invoices are delivered via web hosting, Transporter shall notify Shipper contemporaneously via e-mail about such web hosting.
- (b) In respect of each GTA, if, in respect of any Fortnight, the data for such Fortnight is not fully available, then Transporter shall either (i) prepare the Fortnightly Invoice based on estimates taking into account the details of recent data for previous Fortnights or from such information as it has at its disposal and Shipper shall pay to Transporter the sum set out in such Fortnightly Invoice, or (ii) prepare a provisional Fortnightly Invoice (and Shipper shall pay to Transporter the sum set out in such Fortnightly Invoice) followed by a final Fortnightly Invoice as soon as the required data is available. If the amount paid by the Shipper in settlement of the provisional Fortnightly Invoice is less than the amount payable as per the final Fortnightly Invoice, Shipper shall settle such difference forthwith. If the amount paid by the Shipper in settlement of the provisional Fortnightly Invoice is more than the amount payable as per the final Fortnightly Invoice Shipper shall adjust such difference in the following Fortnightly Invoice.
- (c) A Fortnightly Invoice prepared in accordance with Clause 8.3(b)(i) shall be verified against the measured quantity and allocation data, as determined in accordance with the Operating Code, when it is received by Transporter. Any negative difference between the sums payable as calculated in accordance with Clause 8.3(b)(i) and the sums payable after verification in accordance with this Clause 8.3(c) shall be included as an adjusted item in the following Fortnightly Invoice. For any positive difference between the sums payable as calculated in accordance with Clause 8.3(b)(i) and the sums payable after verification in accordance with this Clause 8.3(c), Transporter shall issue a credit note which amount Shipper may adjust in the following Fortnightly Invoice payment. If such carry over and adjustment is not possible on account of expiry or termination of the GTA, such dues shall be paid forthwith by Transporter to Shipper.



- (d) If an error is discovered in any Fortnightly Invoice, then the error shall be corrected by an adjustment item in the subsequent Fortnightly Invoice or a credit note, as may be applicable. If such adjustment is not possible on account of expiry or termination of the GTA, then the amount that is owing from one Party to the other as a result of such error shall be paid forthwith by the Party owing such amount.

#### **8.4 Disputes:**

- (a) If Shipper disputes in good faith all or part of any amount included in any Fortnightly Invoice under a GTA, (such disputed amount is hereafter referred to as the “**Disputed Amount**”), Shipper shall nonetheless pay the invoice in full by the Due Date and shall notify Transporter of the dispute. Shipper shall provide to Transporter, within seven (7) days following receipt of the disputed Fortnightly Invoice, a realistic and reasonable written estimate, explained in writing with details of the amount that should, in the reasonable opinion of Shipper, be payable by Shipper to Transporter in respect of such Fortnight.
- (b) Notwithstanding Clauses 8.3(d) and 8.4(a), if a Party does not dispute or indicate an error in (by notice) a Fortnightly Invoice issued hereunder within ninety (90) days of receiving it, such Fortnightly Invoice shall be deemed to be correct, complete, conclusive and finally accepted by such Party.

#### **8.5 Payments on Resolution of Disputes:**

- (a) In respect of each GTA, the Parties shall use reasonable endeavours to resolve any dispute regarding a Fortnightly Invoice within fifteen (15) days following receipt by Transporter of the information provided by Shipper under Clause 8.4(a).
- (b) Within seven (7) days of the dispute being resolved by agreement of the Parties pursuant to Clause 8.5 (or, if the Parties cannot resolve the dispute under the procedures of Clause 8.5, pursuant to the rulings of the Tribunal if such dispute is resolved under dispute resolution procedures of Clause 16 or, pursuant to the determination by a court of competent jurisdiction by a final order or judgement resolving such dispute), a correcting payment in respect of the disputed Invoice(s) shall be settled between the Parties accordingly.

#### **8.6 Failure to Pay:**

- (a) In the event that Shipper fails to pay by the Due Date any amount which is due and owing from Shipper to Transporter under a GTA, Shipper shall be liable to pay to Transporter Interest on such unpaid amount calculated from the Due Date to the date of payment.
- (b) If Shipper fails to pay some or all of an amount identified for payment in accordance with this Clause 8 under a GTA, then Transporter shall be entitled to call upon the Shipper LC posted in connection with such GTA, in respect of such payable amount plus any Interest accrued following the day or timeframe identified in Clauses 8.3, 8.5(b) and 8.9, respectively, without prejudice to any

other remedial rights of Transporter. The successful drawdown of such amount shall constitute payment for amount due and payable by Shipper

- (c) If, after taking account of any payment Transporter received through the Shipper LC or otherwise, there is still an outstanding balance in respect of the payment due from Shipper, Shipper shall also pay Interest on such amount from the Due Date to the date of payment.

#### **8.7 Payments:**

All payments by Shipper under each GTA shall be made in Rupees, by electronic funds transfer to the bank account designated by notice from Transporter from time to time and shall be deemed received on the date on which any such payment is actually credited to the account so designated. All present and future charges (including any revision and/or differential) levied by the paying bank on Transporter on account of electronic funds transfer by Shipper shall be borne by Shipper.

#### **8.8 Payment Security:**

- (a) In respect of each GTA, no later than three (3) Business Days prior to the Start Date and until thirty (30) days beyond the expiry or termination of such GTA, as support for Shipper's payment obligations under the relevant GTA, Shipper shall cause a bank acceptable to Transporter to issue, establish and maintain in favour of Transporter and substantially in the form attached as Exhibit D (or replacement form notified by Transporter and as agreed between the Parties) an on-demand, unconditional, revolving, transferable, standby, irrevocable letter of credit ("**Shipper LC**") with a face value amount equivalent to thirty (30) multiplied by the Exit Point MDQ for such GTA multiplied by the sum of the applicable Tariff plus applicable Taxes with a coverage of two (2) times the face value.
- (b) The amount under Clause 8.8(a) shall be adjusted to reflect any increase or decrease in the Exit Point MDQ for such GTA, Tariff and applicable Taxes under the relevant GTA. The amount under a Shipper LC shall be increased at least three (3) Business Days prior to the date when such increase in Exit Point MDQ, Tariff and/or applicable Taxes is to come into effect. In the event of any change in applicable Taxes, Transporter shall notify Shipper in writing of such change in Taxes and Shipper shall adjust the amount under the Shipper LC in accordance with Transporter's notification and in accordance with its obligations under this Clause 8.8(b).
- (c) All charges, fees, costs and expenses payable to the bank issuing a Shipper LC and advising and/or confirming charges if any, shall be paid by Shipper. Each Shipper LC shall, unless replaced with another Shipper LC meeting the requirements of Clause 8.8(a), be renewed by a date at least thirty (30) days prior to its expiry or termination, and allowed to expire only on thirty (30) days beyond the expiry of the applicable GTA.
- (d) If Shipper fails to provide and maintain the Shipper LC as required under Clause 8.8 it shall constitute a Shipper Event of Default and, in addition, Transporter shall have the right to draw down the Shipper LC in full before it expires and

retain the proceeds of such draw as security against amounts then or thereafter owing by Shipper under the applicable GTA, without any interest accruing to Shipper. If Shipper re-in states such Shipper LC to its full-face value, Transporter shall refund to Shipper in the following Fortnight any such amount drawn down that is remaining after adjusting all amounts due to Transporter.

- (e) Shipper agrees that, following any failure by Shipper to pay when due any amounts payable to Transporter and duly invoiced in accordance with this Clause 8 under any GTA, Transporter shall be entitled to make a drawing or request for payment under the relevant Shipper LC, in an amount equal in aggregate to the sums which are so due and payable to Transporter under the relevant GTA.
- (f) Within three (3) Business Days of a drawing by Transporter under a Shipper LC, Shipper shall cause such Shipper LC to be replaced or replenished to the full aggregate amount required by Clause 8.8(a) as may be adjusted pursuant to Clause 8.8(b). Shipper shall provide confirmation from the bank to this effect.
- (g) Shipper agrees that Transporter may transfer or assign any Shipper LC for the benefit of Lenders of Transporter or Transporter's permitted successors and permitted assignees.
- (h) In the event that the Shipper is unable to establish under Clause 8.8(a), a Shipper LC within three (3) Business Days prior to the Start Date of any GTA, Shipper shall credit to the bank account designated by the Transporter, an interest-free deposit of an amount equivalent to sixty (60), multiplied by the Exit Point MDQ for such GTA multiplied by the sum of the applicable Tariff plus applicable Taxes or for a GTA with a duration of less than or equal to fifteen (15) Days, an amount equivalent to the number of Days in the relevant GTA multiplied by one point two (1.2) times the Exit MDQ multiplied by the sum of the applicable Tariff plus the applicable Taxes as refundable "**Shipper Deposit**".

The Shipper Deposit shall be adjusted to reflect any increase or decrease in the Exit Point MDQ for such GTA, Tariff and applicable Taxes under the relevant GTA. For avoidance of doubt, payment of Shipper Deposit is only an interim measure to enable Transportation Services and Shipper shall establish Shipper LC within thirty days of the Start Date. In case of any failure on the part of Shipper to establish the Shipper LC, the provisions of Clause 13.1 (a) shall become applicable. The Shipper Deposit will be refunded in full within seven (7) Business Days to the Shipper, upon establishment of Shipper LC acceptable to Transporter or upon the end of the relevant GTA and settlement of Fortnightly Invoice amounts of the relevant GTA, whichever earlier.

## **8.9 Debit/Credit Notes:**

Debit/credit notes may be raised for any other amount due and payable by Shipper or Transporter under a GTA or as a result of any correction to any prior Fortnightly Invoice, showing details of the calculation and any Interest accrued and unpaid. Such debit note shall be paid within the four (4) Business Days of the receipt of such debit note. In case Transporter issues a credit note in respect of a GTA, Shipper may adjust the same in the following Fortnightly Invoice payment in respect of such GTA. If such

carry over and adjustment is not possible on account of expiry or termination of such GTA, such dues shall be paid forthwith by Transporter to Shipper. In case Transporter issues a credit note, Shipper shall not be entitled to raise a debit note corresponding to such credit note.

## **CLAUSE 9 - REPRESENTATIONS, WARRANTIES, AND COVENANTS**

### **9.1 Representations:**

Each Party represents and warrants to the other Party as of Execution Date and as of each Start Date under GTA(s) executed by the Parties that:

- (a) it is a company duly organized and validly existing under the laws of the jurisdiction in which such company is incorporated and has all requisite legal power and authority and corporate authorisations to execute this Framework Agreement (and each GTA entered into) and carry out the terms, conditions and provisions of this Framework Agreement (and each such GTA);
- (b) except as has been otherwise disclosed in writing to the other Party and agreed to by such other Party, it has in full force and effect all requisite clearances, approvals and permits necessary to enter into this Framework Agreement (and each GTA) and perform its obligations under this Framework Agreement (and each such GTA);
- (c) this Framework Agreement (and each GTA) and the transactions and obligations hereof (and thereof) do not contravene its constitutional documents or any Law and will not contravene any provisions of, or constitute a default under, any other agreement or instrument to which it is a party or by which it or its property may be bound or any of its obligations or undertakings by which it or any of its assets are bound or cause a limitation on its powers or cause it to exceed its authorised powers; and
- (d) to the best of its knowledge, there are no pending or threatened actions, suits or proceedings affecting it or any of its respective assets before a court, governmental agency, commission or arbitrator or administrative tribunal which materially affects its ability to perform its obligations under this Framework Agreement (and each GTA entered into); and it does not have immunity from the jurisdiction of a court or from legal process (whether through service of notice, attachment prior to judgement, attachment in aid of execution, execution or otherwise).

### **9.2 Warranty of Title and No Encumbrances:**

- (a) Shipper warrants that at all times during the term of the relevant GTA it shall have the right and authorization to tender to Transporter at the Entry Point all Gas that it so tenders at the Entry Point and that the Gas so tendered at the Entry Point will be free from all encumbrances, liens, charges, security interests and adverse claims of any description, including any claim by a Third Party with respect to the ownership of Gas tendered by Shipper to Transporter.

- (b) Transporter warrants that the Gas tendered by Transporter under any GTA for redelivery at the Exit Point will be free from all encumbrances, liens, charges, any security interests and adverse claims of any description, arising out of or relating to Transporter's transportation of the Gas in Transporter's Facilities.

### **9.3 Indemnification and Survival:**

Any breach of (or any inaccuracy in) the representations and warranties of this Clause 9 shall be subject to the indemnification provisions of Clause 14.4. Any rights and remedies arising from the breach of representations and warranties of this Clause 9 shall survive the termination or expiry of this Framework Agreement or a GTA.

### **9.4 Certain Other Covenants of the Parties:**

Each Party covenants to the other Party that during the term of this Framework Agreement it shall:

- (a) maintain its corporate existence and good standing, and its corporate authority to perform its obligations under this Framework Agreement and under each GTA entered into hereunder;
- (b) comply in all material respects with any Laws applicable to it in relation to the performance of its obligations or the exercise of its rights under this Framework Agreement and under each GTA entered into hereunder; and
- (c) use its reasonable endeavours to maintain in full force and effect all requisite clearances, approvals and permits necessary to perform its obligations under this Framework Agreement and under each GTA entered into hereunder, and further shall notify the other Party promptly if any such clearances, approvals or permits are not renewed, lapse, are cancelled or terminated or if any proceeding is initiated concerning the validity or effectiveness of any of the same.

### **9.5 ANTI BRIBERY AND CORRUPTION**

- (a) The Parties to this Agreement reciprocally declare that, in relation to performance of this Agreement, they will not pay, offer, nor undertake to pay or authorize the payment of bribery to any third party, whether public or private, as well as commit themselves in adoption of adequate measures for the prevention of bribery, corruption and money laundering.
- (b) The Parties have corporate policies and code of conduct which govern the subject(s) of Anti Bribery and Anti Corruption and undertake to abide by its respective policy.
- (c) Each of the Parties further represents and warrants to each of the other Parties, that:
  - i. it will observe and strictly comply with all applicable Anti-Corruption Laws, including but not limited to the Indian anti-corruption laws, anti-money laundering laws;

- ii. it, nor its affiliates, and to the best of their knowledge, none of their employees, representatives, or agents, has not offered, promised, given, authorized or agreed to give and shall not in connection with execution or performance of this contract/ agreement offer, promise, give, authorize or agree to give to any person or entity, public or private any bribe (money or consideration of any kind) in order to unlawfully obtain or retain any business;
- (d) The non-compliance of the Anti-corruption Laws will be considered a material breach to this Agreement and shall entitle the non-breaching Party the right to, acting in good faith, declare this Agreement terminated immediately, without any burden or penalty, being the breaching Party responsible for the losses and damages, pursuant to the applicable law.

### **CLAUSE 10 - PLANNED WORKS**

- 10.1** “**Planned Works**” means in respect of each GTA, any planned works on Transporter’s Facilities that may temporarily restrict capacity in Transporter’s Facilities, including modifications or repairs to or enlargement or maintenance of Transporter’s Facilities as applicable.
- 10.2** In each Contract Year, in respect of each GTA, Transporter shall be entitled to maintenance allowance for Planned Works in respect of the Transporter’s Facilities, up to two (2) times a Contract Year for up to a total of ten (10) Days in the Contract Year multiplied by applicable Exit Point MDQ; provided, however, that the number of Days of such maintenance allowance shall be reduced proportionately for any Contract Year less than three hundred sixty-five (365) days (and for this purpose of calculating the maintenance allowance, the Commissioning Period, if falling within such Contract Year, shall be deducted from such Contract Year).
- 10.3** In respect of each GTA, no later than thirty (30) Days after the Start Date (as for the first Contract Year) and by the preceding 31<sup>st</sup> January as to each Contract Year thereafter, Transporter shall provide the indicative dates on which Planned Works in respect of the Transporter’s Facilities are scheduled in the relevant Contract Year. Such information shall include the quantity by which the available daily capacity under such a GTA will be reduced on the account of the Planned Works in the Transporter’s Facilities.
- 10.4** In respect of each GTA, Transporter, acting as a Reasonable and Prudent Operator, may change the schedule or interruption level of any scheduled Planned Works by notice given at least fifteen (15) days in advance.

### **CLAUSE 11 - FORCE MAJEURE**

**11.1 Definition:**

The term “**Force Majeure**” means, in respect of a GTA, any event or circumstance or combination of events or circumstances that affects the performance by either Party (such Party, being the “**Affected Party**” for the purposes of this Clause 11) of its

obligations pursuant to the terms of such GTA (including by preventing, hindering or delaying such performance), but only if and to the extent that such events and circumstances are not within the Affected Party's reasonable control and the effects of which the Affected Party could not have prevented by acting as a Reasonable and Prudent Operator or, in the case of construction activities, by the exercise of reasonable skill and care.

## **11.2 Force Majeure Events:**

Without prejudice to the generality of the foregoing definition in Clause 11.1, Force Majeure may include the following events or circumstances to the extent that they or their consequences satisfy the requirements of Clause 11.1:

- (a) flood, atmospheric disturbance, lightning, storm, typhoon, tornado, earthquake, landslide, tsunami, soil erosion, subsidence, washout or epidemic or other acts of God;
- (b) strike, lockout, or other industrial disturbances which are not instigated by the employer;
- (c) epidemic, plague or quarantine;
- (d) fire, accidents, loss, damage or breakage of facilities or equipment, structural collapse or explosion, at the Transporter's Facilities or the Shipper's Facilities;
- (e) air crash, train wrecks or shipwrecks;
- (f) acts of war (whether declared or undeclared), sabotage, terrorism or act of public enemy acts of belligerence of foreign enemies (whether declared or undeclared), blockades, embargoes, civil disturbance, revolution, rebellion or insurrection, exercise of military or usurped power, or any attempt at usurpation of power;
- (g) radioactive contamination or ionizing radiation;
- (h) any act/action or inaction of a Government Instrumentality, or compliance with such acts, directly affecting the ability of Shipper or Transporter to perform its obligations under this Framework Agreement and the relevant GTA; or
- (i) in respect of a GTA, other such matters as may be expressly set forth in such GTA.

## **11.3 Non-Performance Not Excused:**

- (a) Notwithstanding Clauses 11.1 and 11.2, the following events shall not constitute Force Majeure:
  - (i) the non-availability or lack of funds;
  - (ii) the breakdown or failure of machinery operated by the Affected Party to the extent caused by (i) normal wear and tear which could have been avoided by the exercise of reasonable care and diligence, (ii) the failure

of such Party to maintain its facilities or equipment in accordance with the standard of a Reasonable and Prudent Operator, or (iii) the non-availability at appropriate locations of standby equipment or spare parts in circumstances where reasonable prudence and foresight would have required that such equipment or spare parts be made available;

- (iii) delayed performance caused by failure of such Affected Party or its contractors or subcontractors to engage qualified contractors and suppliers or to hire an adequate number of personnel, except where such failure is due to Force Majeure;
  - (iv) changes in market conditions, including changes that (i) either directly or indirectly affect the demand for or price of Gas, or (ii) affect the cost of labour or the cost of performance of the obligations of the Affected Party; and
  - (v) events that affect facilities, plant or equipment other than Transporter's Facilities or the Shipper's Facilities (or the facilities, plant and equipment of the contractors of Shipper or Transporter).
- (b) Notwithstanding Clauses 11.1 and 11.2, neither Party shall be entitled to claim relief by reason of Force Majeure in respect of:
- (i) a failure to pay money when due;
  - (ii) failure to give any notice required under the applicable GTA unless such failure was due to Force Majeure affecting all the means of serving notices specified in Clause 11.4; and
  - (iii) obligations of such Party that are required to be completely performed prior to the occurrence of the event of Force Majeure.
- (c) If at any time during the term of this Framework Agreement, Shipper is a Government Owned Party, then Shipper may not claim an event of Force Majeure for any action or inaction of a Government Instrumentality that prevents Shipper from complying with any obligation or exercising any right under this Framework Agreement or any GTA unless such action or inaction applies equally to all consumers of Gas and shippers and was not undertaken by the Government Instrumentality to benefit Shipper.

#### **11.4 Requirements:**

In respect of any GTA, a Party claiming relief on account of Force Majeure shall comply with the following:

- (a) as soon as practicable but not later than twenty-four (24) hours after the Affected Party becomes or, acting as a Reasonable and Prudent Operator, would become aware of the event, the Affected Party shall give notice to the other Party of the event or circumstances said to constitute Force Majeure and likewise give notice to the other Party of the cessation of a Force Majeure event or circumstance;



- (b) within seven (7) days of such notice, the Affected Party shall provide a full report about the Force Majeure including particulars of the event or circumstances, a general description of the obligations it is likely to affect, an estimate of its likely duration and a statement of the steps and time believed necessary to remedy and/or overcome any resultant failure to fulfil the obligations excused hereunder;
- (c) forthwith, where practicable, the Affected Party shall afford the other Party access to any facilities for inspection of the scene of the Force Majeure provided that the risk and cost of such access and inspection shall always be borne by the other Party;
- (d) from time to time thereafter at reasonable intervals, and upon the reasonable request of the other Party, the Affected Party shall give to the other Party further information of the kind described in Clause 11.4(b); and
- (e) in relation to all matters affected by the event of Force Majeure, the Affected Party shall exercise its rights under such GTA in good faith and without prejudice to the provisions of Clause 11.6, with due regard to the interests of the other Party.

#### **11.5 Force Majeure Event likely to exceed 60 Days:**

In respect of each GTA, subject to the rights of the Parties under Clause 11.9, if an event of Force Majeure is likely to continue for a period in excess of sixty (60) Days, the Parties shall meet to discuss the consequences of the Force Majeure and the course of action to be taken to mitigate the effects thereof or to be adopted in the circumstances.

#### **11.6 Mitigation Responsibility:**

- (a) The Affected Party shall use its reasonable endeavours and diligent efforts to continue to perform its obligations under each GTA, and, acting as a Reasonable and Prudent Operator, to circumvent or overcome any event or circumstance of Force Majeure and minimize its effects. Relief under this Clause 11 shall cease to be available to the Affected Party claiming Force Majeure if it fails to use such reasonable diligence and efforts during the pendency of or following any event of Force Majeure.
- (b) The Affected Party shall have the burden of proving that the circumstances constitute valid grounds of Force Majeure under this Clause 11 and that it has exercised all reasonable endeavours and diligent efforts to remedy the cause of any alleged Force Majeure.
- (c) The Affected Party shall resume performance as expeditiously as possible after termination of the Force Majeure or after the Force Majeure has abated to an extent which permits resumption of performance.

#### **11.7 Consequences of Force Majeure:**

Provided that the Affected Party has complied and continues to comply with the obligations of Clauses 11.4 and 11.6:

- (a) the obligations of the Parties under each GTA to the extent performance thereof is prevented or impeded by the event of Force Majeure shall be suspended and the Parties shall not be liable for the non-performance thereof for the duration of the period of Force Majeure such that the suspension of performance shall be of no greater scope and of no longer period than is reasonably required under the circumstances; and
  - (b) Force Majeure shall not excuse or delay the performance of any other obligation of the Affected Party (including the obligation to make any payments) previously accrued under the terms of each GTA.
- 11.8** The time period(s) for the performance of the obligations of the Parties under each GTA, to the extent performance thereof is prevented or impeded by the event of Force Majeure, shall not be extended for the duration of the relevant period of Force Majeure. For the avoidance of doubt, neither (a) the date for satisfaction of the Conditions Precedent under Clause 3, (b) the end date of the Commissioning Period, nor (c) the End Date shall be extended due to Force Majeure.
- 11.9** Where, as a result of any event of Force Majeure, a Party is materially prevented, hindered or delayed in the performance of its obligations under a GTA and the event of Force Majeure continues for a period of one hundred and eighty (180) consecutive days or more, then the other Party shall have the right to terminate such GTA by providing a notice of sixty (60) days to the Affected Party without any obligation or liability to either Party on account of such termination but without prejudice to accrued obligations and liabilities as to the period prior to termination.
- 11.10** The Affected Party shall promptly notify the other Party (but in any event within twenty-four (24) hours) upon:
  - (a) the cessation and duration of the event or circumstance of Force Majeure supported by any documentary or reliable evidence; and
  - (b) the cessation of the effects of the event or circumstance of Force Majeure on the enjoyment by such Party of its rights or performance of its obligations pursuant to the relevant GTA.
- 11.11** In the event that Shipper is consuming in the Consumer's Facilities gas from pipeline other than the Transporter's pipeline ("**Alternative Gas**") apart from Gas transported under a GTA ("**Contract Gas**"), then notwithstanding any claim by Shipper to Force Majeure relief under this Clause 11,
  - (a) if the difference between (i) MDQ and (ii) the aggregate sum of Alternative Gas and Contract Gas consumed at the Consumer's Facilities on such Day is negative or zero, Shipper will not be entitled to claim Force Majeure relief; and
  - (b) in all other cases, any Force Majeure relief arising in favour of Shipper for any Day, subject to other provisions of such GTA under Clause 5.2, shall not exceed the positive difference between (i) MDQ and (ii) the aggregate sum of Alternative Gas and Contract Gas consumed at the Consumer's Facilities on such Day,

unless and to the extent that Shipper provides to Transporter its written reasons as to the technical facts which render unfeasible the consumption of Contract Gas in the Consumer Facilities and Transporter in its discretion accepts such reasons provided by Shipper.

## CLAUSE 12 - CHANGE IN LAW

### 12.1 “Change in Law” means the occurrence of any of the following:

- (a) any enactment or issuance of any new Law;
- (b) any amendment, alteration, modification or repeal of an existing Law;
- (c) the commencement of any Law which had not at the date of the relevant GTA entered into effect including any Law that was enacted prior to the date of the relevant GTA with a commencement date after the Execution Date and which Law takes effect on that commencement date without material amendment; and
- (d) any act, decision, decree or the exercise of any powers (including a change in interpretation of any applicable legislation, regulation or directive) after the Execution Date of any Government Instrumentality with power to regulate, control or direct the activities of a Party which affects the Party in respect of the performance of its obligations or the exercise of its rights under the GTA (other than due to default of such Party),

and which, in any case, (i) has a material adverse effect on either Party and the consequences of which prevent either Party from exercising its material rights under the GTA or (ii) prevents or relieves either Party from performing its material obligations under the GTA entered (any Party so affected being referred to as an “**Affected Party**” for the purposes of this Clause 12) provided that each of the foregoing could not have been prevented or overcome by Transporter or Shipper (as the case may be) acting as a Reasonable and Prudent Operator. Notwithstanding any provision herein to the contrary, (i) any change in Taxes shall not be considered a Change in Law and (ii) any increase or decrease in Tariff shall not be considered a Change in Law.

### 12.2 Notice and Reporting Requirements:

- (a) In the event of any Change in Law, the Affected Party shall give written notice thereof to the other Party as soon as reasonably practicable, giving details of the Change in Law and its expected effects on the rights and obligations of the Affected Party.
- (b) As soon as practicable and in any event within thirty (30) days after the notice referred to in Clause 12.2(a), a further notice shall be given by the Affected Party which shall specify:
  - (i) the nature of the Change in Law;

- (ii) the expected material adverse effect of such Change in Law on the Affected Party; and
- (iii) any other relevant information as may be appropriate in the circumstances.

### **12.3 Overcoming the Consequence of any Change in Law:**

In the event of any Change in Law, the Parties shall meet to discuss the potential effects of such Change in Law and whether this Framework Agreement or the terms of the GTA will need to be amended to mitigate such effects (although no Party will be under any obligation to agree to amend or modify this Framework Agreement or any GTA if such amendment or modification would materially adversely affect the rights or obligations of a Party, and provided further any amendment will require the mutual agreement of the Parties).

### **12.4 Consequences of Change in Law:**

- (a) Provided that an Affected Party has complied with and continues to comply with the obligations of Clauses 12.2 and 12.3, either Party may give notice of termination of this Framework Agreement and/or any GTAs (in each case, to the extent that the same is affected by the Change in Law) if the Parties are unable to agree on any amendments to or modification of this Framework Agreement and/or any GTAs (in each case, to the extent that the same is affected by the Change in Law) as may be requested by a Party under Clause 12.3 within one hundred and twenty (120) days of the notice provided under Clause 12.2(a) of the Change in Law.
- (b) Termination in accordance with Clause 12.4(a) shall not relieve a Party of its obligations (including payment obligations) arising before the date of such termination and shall be without prejudice to Clause 15.18.

**12.5** In the event of any Change in Law, the Affected Party shall, throughout the period during which its rights and/or obligations are materially and adversely affected by reason of such Change in Law, allow the other Party to have access to such information as such Party may reasonably request in connection with such Change in Law, except any such information which the Affected Party may not lawfully make available to the other Party without breaching obligations of confidentiality owed to any Third Party, or which the Affected Party may otherwise be legally prevented from disclosing to the other Party in which case, the Affected Party shall use reasonable endeavours to obtain permission to disclose any such confidential information to the other Party.

## **CLAUSE 13 - DEFAULT**

### **13.1 Events of Default:**

- (a) Transporter may serve a notice of its intention to terminate a GTA entered into hereunder (or, as expressly specified in this Clause 13.1(a), Transporter may serve notice of its intention to terminate all GTAs entered into hereunder) upon the occurrence and continuation of any of the following events (each a “**Shipper Event of Default**”), unless any such event occurs as a result of a breach by

Transporter of its obligations under the relevant GTA or is otherwise excused due to an event of Force Majeure:

- (i) Shipper fails to pay when due any amounts owed to Transporter under the relevant GTA for which Shipper has received the Fortnightly Invoice (in which case all GTAs entered into hereunder may also be suspended or terminated by Transporter subject to the cure periods set forth in this Clause 13);
  - (ii) Shipper fails to provide a Shipper LC in connection with such GTA as required by Clause 8.8 or fails to issue, extend, replenish or replace such Shipper LC within the time period specified herein;
  - (iii) Shipper is in material breach of its other obligations under the relevant GTA, including its covenants under Clause 9.4;
  - (iv) Shipper assigns, or purports to assign, its rights and transfer its obligations under the relevant GTA (or of this Framework Agreement, in which case all GTAs entered into hereunder may be terminated by Transporter) in violation of Clause 15.1; or
  - (v) an Insolvency Event occurs with respect to Shipper (in which case all GTAs entered into hereunder may be terminated by Transporter).
- (b) Shipper may serve a notice of its intention to terminate a GTA entered into hereunder (or, as expressly specified in this Clause 13.1(b), Shipper may serve notice of its intention to terminate all GTAs entered into hereunder) upon the occurrence and continuation of any of the following events (each a “**Transporter Event of Default**”) unless any such event occurs as a result of a breach by Shipper of its obligations under the relevant GTA or is otherwise excused due to an event of Force Majeure:
- (i) when during any ninety (90) consecutive Days, the cumulative Shortfall Quantity exceeds a quantity equivalent to five (5) Days multiplied by the Exit Point MDQ, or during any three hundred sixty-five (365) consecutive Days, the cumulative Shortfall Quantity exceeds a quantity equivalent to twenty (20) Days multiplied by the Exit Point MDQ;
  - (ii) Transporter assigns, or purports to assign, its rights and transfer its obligations under the relevant GTA (or of this Framework Agreement, in which case all GTAs entered into hereunder, may be terminated by Shipper) in violation of Clause 15.1;
  - (iii) Transporter is in material breach of its other obligations under the relevant GTA, including its covenants under Clause 9.4; or
  - (iv) an Insolvency Event occurs with respect to Transporter (in which case all GTAs entered into hereunder may be terminated by Shipper).

## 13.2 Procedure for Suspension and Termination in an Event of Default:

### (a) Suspension and Termination by Transporter:

- (i) Upon the occurrence and continuation of any Shipper Event of Default, Transporter may deliver a notice (the “**Shipper Default Notice**”) to Shipper of Transporter’s intention to terminate the relevant GTA to which the Shipper Event of Default relates (or, if applicable pursuant to the terms of Clauses 13.1(a)(i), 13.1(a) (iv), or 13.1(a)(v), all GTAs entered into hereunder). Such notice shall specify in reasonable detail the Shipper Event of Default to which such notice relates.
- (ii) In respect of a Shipper Event of Default under Clauses 13.1(a)(i) to (iii), Transporter shall, following service of the Shipper Default Notice, have the right to suspend the performance of its obligations under the relevant GTA (and, if applicable pursuant to the terms of Clause 13.1(a)(i), any other GTAs entered into hereunder) upon the occurrence of such Shipper Event of Default until such default has been cured in accordance with the provisions of this Clause 13.2; provided that if Transporter suspends its obligations pursuant to this Clause 13.2(a)(ii), Shipper’s entitlement pursuant to the relevant GTA(s) shall be restored as soon as operationally feasible following the cure of such Shipper Event of Default and Shipper providing any documentation giving reasonable assurances of future performance by Shipper (in addition to the applicable Shipper LC) as may be reasonably requested by Transporter. Any non-performance by Transporter pursuant to this Clause 13.2(a)(ii) shall not constitute a Transporter Event of Default and any quantities not delivered as a result thereof shall not constitute a Shortfall Quantity. Shipper shall be liable for payment of Transportation Charges (to the extent of any Transportation Service as may be provided by Transporter), any Monthly Ship-or-Pay Payment, any Imbalance Charge and Unauthorised Overrun Charge for such period of suspension.
- (iii) Following the receipt of any Shipper Default Notice, Shipper shall (A) promptly notify Transporter of the measures it has taken or intends to take to remedy the Shipper Event of Default which is the subject of such notice, and (B) have a period of sixty (60) days from the date of such receipt (the “**Shipper Cure Period**”) in which to remedy such breach or default and shall act as a Reasonable and Prudent Operator in doing so (except for the Shipper Events of Default described in Clauses 13.1(a)(iv) or 13.1(a)(v), for which there shall be no cure period).
- (iv) During any Shipper Cure Period, both Parties shall, save as otherwise provided herein, continue to perform their respective obligations under the GTA (and this Framework Agreement and under each other GTA) and shall not, whether by act or omission, impede or otherwise interfere with the endeavours of either Party to remedy the breach or default to which such Shipper Cure Period relates. Provided that Transporter shall not be required to perform its obligations under this Clause 13.2(a)(iv)

if Transporter has elected to suspend the performance of its obligations as specified in Clause 13.2(a)(ii).

- (v) Following the expiry of Shipper Cure Period for a Shipper Event of Default referred to in Clauses 13.1(a)(i), 13.1(a)(ii) and 13.1(a)(iii), if such Shipper Event of Default is continuing, Transporter may terminate the relevant GTA (or, if applicable pursuant to the terms of Clause 13.1(a)(i), all GTAs entered into hereunder) to which Shipper Default Notice relates by notice (a “**Shipper Termination Notice**”) to Shipper and the relevant GTA (or, if applicable pursuant to the terms of Clause 13.1(a)(i), all GTAs entered into hereunder) shall terminate with immediate effect on the date of service of such Shipper Termination Notice (even if cured after the Shipper Cure Period).
- (vi) In the case of a Shipper Event of Default described in Clauses 13.1(a)(iv) or 13.1(a)(v), Transporter may immediately terminate the relevant GTA (or, if applicable pursuant to the terms of Clause 13.1(a)(iv) or 13.1(a)(v), all GTAs entered into hereunder) by the delivery of the Shipper Default Notice and the relevant GTA (or, if applicable pursuant to the terms of Clause 13.1(a)(iv) or 13.1(a)(v), all GTAs entered into hereunder) shall terminate with immediate effect on the date of service of such Shipper Default Notice.

(b) **Termination by Shipper:**

- (i) Upon the occurrence and continuation of any Transporter Event of Default, Shipper may deliver a notice (the “**Transporter Default Notice**”) to Transporter of Shipper’s intention to terminate the GTA (or, if applicable pursuant to the terms of Clause 13.1(b)(ii) or Clause 13.1(b)(iv) all other GTAs entered into hereunder) to which the Transporter Event of Default relates. Such notice shall specify in reasonable detail the Transporter Event of Default to which such notice relates.
- (ii) Following the receipt of any Transporter Default Notice, Transporter shall (A) promptly notify Shipper of the measures it has taken or intends to take to remedy the Transporter Event of Default which is the subject of such notice, and (B) have a period of sixty (60) days from the date of such receipt (the “**Transporter Cure Period**”) in which to remedy the breach or default and shall act as a Reasonable and Prudent Operator in doing so (except for the Transporter Events of Default described in Clauses 13.1(b)(ii) or 13.1(b)(iv), for which there will be no cure period).
- (iii) During any Transporter Cure Period, each Party shall, save as otherwise provided herein, continue to perform its respective obligations under the GTA (and this Framework Agreement and under each other GTA) and shall not, whether by act or omission, impede or otherwise interfere with the endeavours of the other Party to remedy the breach or default to which such Transporter Cure Period relates.

- (iv) With respect to a Transporter Event of Default under Clause 13.1(b)(i), such default shall be deemed to be remedied if there is no Shortfall Quantity incurred during the Transporter Cure Period or if the Shortfall Quantity incurred during the Transporter Cure Period does not exceed fifty percent (50%) multiplied by the Exit Point MDQ multiplied by sixty (60). If a Transporter Event of Default under Clause 13.1(b)(i) is deemed remedied pursuant to this Clause 13.2(b)(iv), the Shortfall Quantity giving rise to such Transporter Event of Default shall also be deemed extinguished for the future purposes of Clause 13.1(b)(i).
- (v) Following the expiry of Transporter Cure Period, for a Transporter Event of Default referred to in Clause 13.1(b)(i) or 13.1(b)(iii), if the Transporter Event of Default to which a Transporter Default Notice relates is continuing, Shipper may terminate the relevant GTA by notice (a “**Transporter Termination Notice**”) to Transporter and such GTA shall terminate with immediate effect on the date of service of such Transporter Termination Notice (even if cured after the Transporter Cure Period).
- (vi) In the case of a Transporter Event of Default described in Clauses 13.1(b)(ii) or 13.1(b)(iv), Shipper may immediately terminate the relevant GTA (or if applicable pursuant to the terms of Clauses 13.1(b)(ii) or 13.1(b)(iv), all GTAs entered into hereunder) by delivery of the Transporter Default Notice and the relevant GTA (or if applicable pursuant to the terms of Clauses 13.1(b)(ii) or 13.1(b)(iv), all GTAs entered into hereunder) shall terminate with immediate effect on the date of service of such Transporter Default Notice.

### **13.3 Effect of Termination under Clause 13:**

The termination of a GTA in accordance with this Clause 13 shall relieve the Parties of their obligations under such GTA from and after the date of such termination but shall be without prejudice to and shall not affect any rights or obligations which may have accrued to either Party prior to such termination (and shall not affect any other GTAs entered into between the Parties unless such GTAs are also terminated pursuant and subject to this Clause 13), and the rights and obligations so accrued including in respect of any amounts due and payable under the relevant GTA shall survive the termination of a GTA and/or the termination of this Framework Agreement (together with those provisions of this Framework Agreement that are expressly stated to survive termination pursuant to Clause 15.18).

### **13.4 No Cross Default or Set-Off:**

- (a) All payments made by either Party to the other in accordance with this Framework Agreement or the GTA shall be made free and clear of (and without any deduction for or on account of) any withholding, deduction, set-off or counterclaim in respect of amounts owing under any other agreement (including any other GTAs) in effect between the Parties.



- (b) Except as expressly set forth in a GTA, no payment due from any Party under such GTA shall be the subject of any withholding, deduction or set-off or counterclaim in respect of any other amounts due under such GTA.

## **CLAUSE 14 - LIABILITIES AND INDEMNITIES**

### **14.1 Limitations on Liability:**

Notwithstanding anything expressed or implied in this Framework Agreement or in any GTA to the contrary:

- (a) Neither Transporter (nor its Associated Persons) shall in any circumstances have any liability for a failure to provide Transportation Service if such failure is a consequence of Shipper's failure to comply with the terms and conditions of the applicable GTA or this Framework Agreement.
- (b) Neither Party (nor their Associated Persons) shall be liable to the other Party (or such Party's Associated Persons) in respect of any Losses under any GTA or under this Framework Agreement to the extent that such Losses are attributable to such other Party having failed to act as a Reasonable and Prudent Operator.
- (c) If Transporter for any reason fails to provide Transportation Service as required under a GTA, the Liquidated Damages payable under Clause 6 (if applicable pursuant to Clause 6) shall be the sole and exclusive remedy and relief available to Shipper in respect of such failure and the Parties stipulate that the payment of such Liquidated Damages shall be in full satisfaction of any right, claim or damages Shipper may otherwise have at law or otherwise (including for injunctive relief or otherwise).
- (d) Neither Party shall be liable to the other in contract, tort, or otherwise for any indirect loss or any Consequential Loss or for any other consequential, incidental, special, punitive or exemplary damages, including any loss of profit, arising out of or in connection with any GTA for any reason whatsoever (including in cases of Wilful Misconduct); provided, however, such limitation shall not apply to the indemnity obligations owed by a Party to another Party under Clause 14.3 with respect to indemnification for claims made by Third Parties. For the avoidance of doubt, this Clause 14.1(d) shall be without prejudice to the Monthly Ship-or-Pay Payment provisions of Clause 5.2 and the Liquidated Damages provisions of Clause 6.2.
- (e) Notwithstanding anything to the contrary in this Framework Agreement or any GTA, Transporter's aggregate liability to Shipper in any Contract Year under any GTA for any and all breach(es) of its obligations under such GTA, and the indemnities of Transporter under such GTA, shall not exceed fifty percent (50%) of the applicable Tariff multiplied by the relevant Exit Point MDQ for such GTA and multiplied by the number of Days in the relevant Contract Year. For the avoidance of doubt, the Transporter's aggregate liability to Shipper under this Clause shall include the payment by Transporter of Liquidated Damages under Clause 6.

- (f) The liability of Shipper or Transporter under Clauses 7.2(a)(ii)(B) and 7.2(c) (in the case of Shipper) or Clause 7.3(c) (in the case of Transporter) for delivery of Off-Spec Gas in any Contract Year under a GTA shall not exceed twenty percent (20%) of the applicable Tariff multiplied by the relevant Exit Point MDQ for such GTA and multiplied by the number of Days in the relevant Contract Year.
- (g) No Party (and no Associated Person of any Party) shall bring any claim, at law or in equity or otherwise, for any other form of relief or remedy (including claims for injunctive relief, specific performance, or otherwise) other than for the payment of money except as may be expressly provided herein. The dispute resolution provisions of Clause 15.5 and Clause 16 shall be the exclusive means of resolving any disputes arising under this Framework Agreement or any GTA, and no Party (and no Associated Person of any Party) shall bring or assert any claim in a court or tribunal except in accordance with Clause 15.5 and Clause 16, subject to the limitations of this Clause 14.1. To the fullest extent allowed under applicable law, it is the Parties' intention that the limitations of this Clause 14.1 shall apply notwithstanding any other right that may otherwise be available to a Party (or such Party's Associated Persons).

#### **14.2 Risk of Loss:**

Without prejudice to Clauses 9.2 and 9.3, for the purposes of each GTA, Transporter shall bear the risk of loss of Gas tendered by Shipper that is accepted by Transporter at the Entry Point until the redelivery of such Gas at the Exit Point, and Shipper shall bear the risk of loss of Gas prior to its delivery to Transporter at the Entry Point and after the redelivery of such Gas by Transporter at the Exit Point.

#### **14.3 Indemnification:**

- (a) Transporter shall indemnify, defend and hold harmless Shipper (and its Associated Persons) from and against any and all Losses on account of any Claims brought by any Third Party (but excluding Claims brought by the Associated Persons of Shipper) or by any Government Instrumentality, caused by or resulting from (or attributable to) the installation, existence, ownership, possession, operation or maintenance of Transporter's Facilities or arising out of acts or omissions of Transporter in the exercise of its rights or the performance of its obligations under the relevant GTA, except to the extent contributed to by the Wilful Misconduct or material breach of the relevant GTA by Shipper (or its Associated Persons).
- (b) Shipper shall indemnify, defend and hold harmless Transporter (and its Associated Persons) from and against any and all Losses on account of any Claims brought by any Third Party (but excluding Claims brought the Associated Persons of Transporter) or by any Government Instrumentality, caused by or resulting from (or attributable to) the installation, existence, ownership, possession, operation or maintenance of Consumer's Facilities or the Downstream Pipeline or arising out of acts or omissions of Shipper in the exercise of its rights or the performance of its obligations under the relevant GTA, except to the extent contributed to by the Wilful Misconduct or material breach of relevant GTA by Transporter (or its Associated Persons).

- (c) Each Party shall indemnify, defend and hold harmless the other Party (and such other Party's Associated Persons) from and against any Losses on account of any Claims brought by the Associated Persons of the other Party in connection with the Transportation Service or otherwise arising out of or concerning the performance (or non-performance) of the relevant GTA, except to the extent caused by the Wilful Misconduct or material breach of the relevant GTA by the Party seeking indemnification.

#### **14.4 Indemnification for Breach of Representations and Warranties and Covenants:**

Each Party shall indemnify, defend and hold harmless the other Party (and its Associated Persons) from any and all Losses and Claims arising from, based on, related to or associated with the breach of (or inaccuracy in) any representation or warranty of the Indemnifying Party set forth in this Clause 14 or any material breach of the covenants of the Indemnifying Party set forth in Clause 9.4 and Clause 9.5.

#### **14.5 Conduct of Proceedings:**

- (a) A Party seeking indemnification under this Clause 14 (the “**Indemnified Party**”) shall give the other Party (the “**Indemnifying Party**”) a notice of any and all Claims asserted against the Indemnified Party for which indemnification is or may be sought hereunder, together with reasonable details of the nature of such Claim. Such notice shall be given as soon as the Indemnified Party becomes aware that it has or may have a Claim against the Indemnifying Party, provided that failure to give such notice shall not abrogate or diminish the Indemnifying Party's obligation under this Clause 14 if the Indemnifying Party has or receives knowledge of the existence of any such Claim by any other means.
- (b) The Indemnified Party shall have the right, but not the obligation, to contest, defend and litigate (and to retain legal advisers of its choice in connection therewith) any Claim by any Third Party alleged or asserted against it and arising out of any matter in respect of which it is entitled to be indemnified hereunder, and the reasonable costs and expenses thereof, shall be subject to the said indemnity, provided that the Indemnifying Party shall be entitled, at its option, to assume and control the defence of such Claim at its expense and through legal advisers of its choice, if it:
  - (i) promptly gives notice of its intention to do so to the Indemnified Party;
  - (ii) acknowledges in writing its obligation to indemnify the Indemnified Party to the full extent provided by this Clause; and
  - (iii) reimburses the Indemnified Party for the reasonable costs and expenses previously incurred by the Indemnified Party prior to the assumption of such defence by the Indemnifying Party.
- (c) If any Claim arises as to which the indemnities provided may apply, and the Indemnifying Party fails to assume the defence of such Claim, then the Indemnified Party may at the Indemnifying Party's expense, contest or, with the

prior written consent of the Indemnifying Party, which shall not be unreasonably withheld, settle such Claim.

#### **14.6 Mitigation:**

Each Party shall use its reasonable endeavours to mitigate any Losses arising out of or concerning the performance (or non-performance) of this Framework Agreement and each GTA entered into hereunder that are the subject of the indemnification provisions of Clauses 14.3 and 14.4. To the extent a Party fails to use such reasonable endeavours to mitigate such Losses, such Party will not be entitled to indemnification pursuant to this Clause 14 in respect of such Losses. For the avoidance of doubt, nothing in this Clause 14.6 shall be interpreted as modifying or limiting the rights and obligations of the Parties with respect to the payment of amounts due under Clauses 5, 6, 7 or 9.

### **CLAUSE 15 - MISCELLANEOUS PROVISIONS**

#### **15.1 Assignment:**

- (a) Except for assignments under Clause 15.1(b), neither Party shall assign or otherwise transfer any of its interest or any of its rights or obligations under this Framework Agreement or any GTA without the prior written consent of the other Party. In the case of an assignment under this Clause 15.1(a), the assigning Party (if granted consent to assign by the other Party) shall be relieved of its obligations under the GTAs as to the period prior to the effective date of such assignment only if:
  - (i) the assignee has the capability to perform all the obligations of the assigning Party;
  - (ii) the assignee expressly assumes for the benefit of the non-assigning Party all of the assigning Party's obligations; and
  - (iii) the assignee either is no less creditworthy than assignor (in the other Party's reasonable judgement) or provides a guarantee reasonably acceptable to the other Party.
- (b) Each Party shall be entitled, without the consent of the other Party, to assign, mortgage, or pledge all of its rights, interests and benefits under this Framework Agreement together with all (but not fewer than all) GTAs to a trust, trustee, bank, paying agent, their respective lenders or their respective lenders' agent or any other person or company (collectively, "**Lenders**") for the purposes of any bona fide financing.
- (c) For the avoidance of doubt but without prejudice to Clauses 15.1(a) and (b), a Party shall not be entitled to assign any GTA without contemporaneously assigning the Framework Agreement and all other GTAs to the same assignee, nor shall any Party be entitled to assign the Framework Agreement without contemporaneously assigning all GTAs to the same assignee.

## **15.2 Financing:**

The Parties recognize that Transporter may obtain financing from its Lenders and that such Lenders will require certain documents and agreements from the Shipper and/or Transporter to facilitate such financing. Accordingly, Shipper subject to Clause 15.13(c)(iv) agrees that it shall make reasonable endeavours provide, at Transporter's cost, such documentation and agreements as may be requested by Transporter's Lenders and shall cooperate with Transporter in all respects as the Transporter may request from time to time to facilitate the obtaining of such financing (including any modifications to this Framework Agreement or to any GTA as the Lenders may reasonably request).

## **15.3 Amendment:**

The terms of this Framework Agreement or any GTA may be amended only by a written document executed by authorized representatives of Transporter and Shipper. No modification of a GTA or this Framework Agreement shall be of any force or become effective unless given in writing in the form of a supplement or amendment duly executed by the Parties.

## **15.4 Waiver of Default:**

- (a) No waiver by any Party of one or more defaults by the other Party in the performance of its obligations under this Framework Agreement or any GTA shall operate or be construed as a waiver of any future default or defaults, whether of a like or of a different character, and no waiver by either Party of any provision of this Framework Agreement or any GTA shall be binding unless made in writing.
- (b) Neither the failure of either Party to insist on any occasion upon the performance of the terms, conditions and provisions of this Framework Agreement or any GTA, nor any time or other indulgence granted by one Party to the other shall act as a waiver of any breach or acceptance of any variation or the relinquishment of any right hereunder unless otherwise expressly agreed to in writing by the Parties.

## **15.5 Governing Law and Jurisdiction:**

- (a) This Framework Agreement and each GTA shall be governed and construed in accordance with Laws of India.
- (b) The courts and tribunals at Mumbai shall have exclusive jurisdiction over the subject matter of this Framework Agreement and each GTA to grant such relief in aid of arbitration as may be permitted under Arbitration Act.

## **15.6 Entire Agreement:**

In respect of each GTA, the relevant GTA, together with this Framework Agreement (including the Exhibits attached hereto), constitutes the entire agreement between the Parties.

**15.7 Severability:**

If any one or more provisions of this Framework Agreement or any GTA is declared to be invalid, illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable in accordance with their terms, and to that end the provisions of this Framework Agreement or any GTA are deemed to be severable; provided, however, that the Parties agree to negotiate in good faith to amend the terms of this Framework Agreement or any GTA in order to effect the original intent of the Parties as stated in this Framework Agreement or any GTA.

**15.8 Third Party Beneficiaries:**

Save as expressly provided in this Framework Agreement, neither Transporter nor Shipper intend that the provisions of this Framework Agreement or any GTA should confer any benefit on any Third Party and no Third Party shall have any right to enforce the terms of this Framework Agreement or any GTA against Shipper or Transporter.

**15.9 Interpretation:**

In the interpretation and construction of this Framework Agreement and each GTA, no presumption shall be made against any Party on grounds that such Party drafted this Framework Agreement or any GTA or any provision of this Framework Agreement or any GTA.

**15.10 Notices:**

(a) Subject to Section 12 of the Operating Code (which shall apply to operational notices), all notices, bills, statements, requests or notifications, to be given by one Party to the other under this Framework Agreement or any GTA, shall be in writing and delivered by hand to the Party in question or sent to such Party by recorded delivery letter, or facsimile or email addressed to that Party at such address, facsimile transmission number or email address as the Party in question shall from time to time designate by written notice and until such notice shall be given, the addresses and the facsimile number of the Parties shall be as follows:

- (i) Chief Commercial Officer  
Pipeline Infrastructure Limited  
Seawoods Grand Central  
Tower-1, 3rd Level, C Wing - 301 to 304,  
Plot R1, Sector 40, Seawoods Railway Station,  
Nerul Node, Navi Mumbai – 400706

(ii) \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(b) All notices, bills, statements, requests or notifications shall be deemed effective when received in legible form at the recipient’s address as aforesaid.

- (c) Any notices, statements, bills and notifications given by facsimile transmission (but excluding routine communications related to nominations and scheduling under the Operating Code) shall be subsequently confirmed by letter sent by recorded delivery or hand but without prejudice to the validity of the original notice if received.

#### **15.11 No Agency:**

Neither this Framework Agreement nor any GTA shall constitute either Party as the agent, partner or legal representative of the other for any purposes whatsoever, and neither Party shall have any express or implied right or authority to assume or to create any obligation or responsibility on behalf of or in the name of the other Party.

#### **15.12 Language:**

This Framework Agreement and GTA is made and shall be construed in English. All notices to be given by any Party hereunder and all other communications and documentation relating to or connected with this Framework Agreement and any GTA, including any dispute resolution proceedings, shall be in the English language.

#### **15.13 Confidentiality:**

- (a) The following information “**Confidential Information**” shall be treated as confidential during the term of this Framework Agreement and each GTA and for a period of three (3) years after the termination of this Framework Agreement:
  - (i) the terms and conditions of this Framework Agreement and each GTA and all information disclosed thereunder (including any disclosures made during any arbitration); and
  - (ii) all information related to this Framework Agreement or any GTA that is or was disclosed by either Party in writing from time to time during the course of negotiations prior to the conclusion of this Framework Agreement or any GTA including any information disclosed by Transporter relating to Transporter’s Facilities or any information disclosed by Shipper relating to Consumer’s Facilities.

Provided, however, that Confidential Information shall exclude any information which, when used or disclosed, is in the public domain other than through a breach of this Framework Agreement or any GTA or has been or could have been lawfully acquired, other than in accordance with the provisions of this Clause 15.13 by the Party or person using the same or to whom disclosure is made.

- (b) Confidential Information shall not be disclosed in whole or in part by either Party to any Person without the prior written consent of the other Party.
- (c) Notwithstanding the provisions of Clauses 15.13(a) and (b), neither Party shall be required to obtain the prior consent of the other in respect of disclosure of Confidential Information to the following persons and/or in the following circumstances, provided that such Party shall use reasonable endeavours to

ensure that such persons keep the Confidential Information confidential on the same terms as are provided in this Clause 15.13 and that disclosure is considered reasonably necessary to enable such Party to perform (or cause to be performed) or to enforce its rights or obligations under this Framework Agreement or any GTA:

- (i) to directors, employees and Affiliates of a receiving Party;
- (ii) where required to be disclosed by Law or judicial or administrative or arbitral process or by any Government Instrumentality having jurisdiction over such Party or by the rules of any public stock exchanges on which such Party is listed;
- (iii) which is obtained by a Party from a Third Party who is lawfully in possession of such information or data and is not subject to any contractual or fiduciary relationship which would preclude its disclosure;
- (iv) where required by a Lender or proposed Lender including agents and consultants employed by such institution in connection with the financing or proposed financing of such Party's or its Affiliates operations, provided that such Lender first enters into a confidentiality agreement with the original disclosing Party;
- (v) to any bona fide proposed assignee or transferee of the whole or any part of the rights and interests of the disclosing Party under this Framework Agreement or the relevant GTA but only to the extent required in respect of such proposed assignment or transfer and subject to such intending assignee first agreeing with such Party to be bound by confidentiality provisions which are substantially the same as those contained in this Clause 15.13;
- (vi) to any Person which is or may become a contractor to such Party to provide materials, equipment or services in connection with such Party's obligations hereunder;
- (vii) to any Persons who are professional consultants and advisers (including legal advisors) retained by or on behalf of such Party;
- (viii) to the extent necessary to comply with the requirements of any arbitration tribunal appointed under this Framework Agreement or any GTA;
- (ix) to any bona fide potential investor proposing to acquire at least five percent (5%) of the equity share capital of the disclosing Party or its Affiliate provided that the disclosing Party shall make such potential investor fully aware of the confidential nature of the information and shall (A) be liable for any disclosures by such potential investor which would constitute breaches of this Clause 15.13 were the potential investor a party to this Framework Agreement and the GTA; or (B) procure that such potential investor enter into a confidentiality



agreement with the original disclosing Party in terms substantially similar hereto;

- (x) to any direct or indirect purchaser or bona fide potential purchaser of Gas to be transported under the relevant GTA; and to any direct or indirect supplier or bona fide potential supplier of Gas to be transported under the relevant GTA; and
- (xi) disclosures of operational information by Transporter to the Upstream Operator or the Upstream Pipeline Operator and Downstream Pipeline Operator for the purpose of confirmation, scheduling and allocation of Gas for transportation in accordance with the Operating Code;

provided, however, that the disclosing Party shall keep its disclosure of Confidential Information to the minimum reasonably necessary for the purpose for which it is disclosed.

#### **15.14 Successors and Assigns:**

This Framework Agreement and any GTA entered into by the Parties hereunder shall be binding upon and inure to the benefit of the Parties thereto and their respective successors and permitted assigns.

#### **15.15 Insurance:**

##### **(a) Insurance of Gas:**

Transporter shall be responsible and shall bear the cost of insurance of Gas tendered by Shipper and accepted by Transporter at the Entry Point until such Gas is redelivered to Shipper at the Exit Point. Shipper shall be responsible and shall bear the cost of insurance of Gas prior to acceptance of the Gas at the Entry Point and following redelivery at the Exit Point.

##### **(b) Consumer's Facilities Insurance:**

All insurance in respect of Consumer's Facilities owned by Shipper, including Third Party risks, shall be the responsibility of Shipper and Shipper shall arrange for any such insurance to include a waiver of subrogation rights against Transporter and its Associated Persons so that the insurers may not make any claim which Shipper is prevented from making hereunder.

##### **(c) Transporter's Facilities Insurance:**

All insurance in respect of Transporter's Facilities, including Third Party risks, shall be the responsibility of Transporter and Transporter shall arrange for any such insurance to include a waiver of subrogation rights against Shipper and its Associated Persons so that the insurers may not make any claim which Transporter is prevented from making hereunder.

### **15.16 Books and Records:**

Transporter shall be required to keep accurate records for a period of at least two (2) years of the quantities of Gas nominated, Scheduled Quantities and Allocated Quantities of Gas at the respective Entry Point and Exit Point. Transporter shall make such records available for the Shipper to review at Transporter's offices during normal business hours upon making a request with a notice period of not less than twenty-four (24) hours for the current Contract Year and not less than one week notice for any preceding year.

### **15.17 Waiver of Sovereign Immunity:**

Each Party hereby confirms that entry into this Framework Agreement and each GTA, and such acts taken pursuant thereto, constitute commercial acts and irrevocably waives to the fullest extent permitted by applicable Law any present or future claim to immunity from any proceeding or the enforcement of any award or decision of any arbitrator who was duly appointed under this Framework Agreement or any GTA to resolve Disputes under or related to the same.

### **15.18 Survival:**

Except as may be otherwise expressly provided in this Framework Agreement and the relevant GTA, Clause 1 (Definitions, Interpretation and Construction), Clauses 5.1(c) to 5.1(e), Clauses 9.1 through 9.3 (Representations and Warranties; Warranty of Title and No Encumbrances; Indemnification), Clause 13.3 (Effect of Termination under Clause 13), Clause 14.1 (Limitations on Liability), Clause 15.5 (Governing Law and Jurisdiction) to Clause 15.14 (Successors and Assigns), Clause 15.17 (Waiver of Sovereign Immunity) and this Clause 15.18 (Survival), and Clause 16 (Dispute Resolution) shall survive the termination or expiry of this Framework Agreement and/or the relevant GTA.

## **CLAUSE 16 - DISPUTE RESOLUTION**

### **16.1 Disputes:**

Save and except a dispute arising in metering, the meter proving or certification in respect of Measurement Equipment any dispute, controversy, difference or claim arising out of or relating to this Framework Agreement or any GTA entered into hereunder or the breach, termination or validity of this Framework Agreement or any GTA (a "**Dispute**"), shall at the first instance be mutually discussed for amicable resolution between the Parties within a period of thirty (30) days after giving notice by one Party to the other Party.

Provided further that a Dispute arising in metering, the meter proving or certification in respect of Measurement Equipment which Parties are not able to resolve mutually shall be resolved in accordance with the provisions of Chapter V on Settlement of Disputes referred in Petroleum and Natural Gas Regulatory Board Act, 2006 read with Regulation 9 (8) of the Petroleum and Natural Gas Regulatory Board (Access Code for Common Carrier or Contract Carrier Natural Gas Pipelines) Regulations, 2008.

## **16.2 Referral for Arbitration:**

- (a) In the event of failure of a resolution under Clause 16.1 of any such Dispute, the Dispute shall be referred to and finally resolved by arbitration under the Arbitration Act in force at the time such arbitration is commenced.
- (b) If a Dispute is to be resolved by arbitration pursuant to Clause 16.2(a), then an arbitral tribunal (the “**Tribunal**”) shall be established in accordance with the provisions of this Clause 16.2(b). The number of arbitrators shall be three (3). Each Party shall nominate an arbitrator within thirty (30) days of the date of a request for arbitration, and the two (2) nominated arbitrators shall, within thirty (30) days of the date of the nomination of the second arbitrator, jointly nominate a third arbitrator to act as Chairman of the Tribunal.

## **16.3 Conduct of Arbitration:**

- (a) The venue of arbitration shall be in Mumbai, India.
- (b) The language to be used in the arbitral proceedings and for any award rendered shall be English.

## **16.4 Arbitration Award:**

- (a) The Tribunal shall make its award in writing and shall state the reasons upon which its award is based.
- (b) The Tribunal shall endeavour to render a final award, disposing of all issues in Dispute, within six (6) Months of the appointment of the Tribunal, although they may extend this period as they deem necessary.
- (c) Any monetary award shall be in Indian Rupees.
- (d) The award shall be kept confidential in accordance with Clause 15.13 (but without any limitation as to time as provided for therein).
- (e) The award rendered in any arbitration commenced under this Framework Agreement or any GTA shall be final and binding on the Parties.
- (f) Notwithstanding the existence or the reference of a Dispute to the Tribunal, or the pendency of arbitration proceedings before the Tribunal, each Party shall be obliged to perform its obligations under this Framework Agreement and under each GTA.

## **16.5 Consolidation:**

- (a) If at any time after there has been a request for arbitration filed in connection with either this Framework Agreement or any GTA (the “**First Dispute**”) and such First Dispute has not been determined by a final award, then upon the filing of a further request for arbitration in relation to a Dispute under either this Framework Agreement or any GTA (the “**Second Dispute**”), the two proceedings shall be consolidated into one arbitration, to be resolved by the Tribunal constituted in relation to the First Dispute. For the avoidance of doubt,

such consolidated proceeding will then stand as the First Dispute in the event that further Disputes arise, and this clause will operate to consolidate such future Disputes *mutatis mutandis*.

- (b) In the event of a Second Dispute arising, then either Party may, within seven (7) days, make representations to the Tribunal constituted in the First Dispute as to why any consolidation would be inappropriate in the circumstances (including whether such consolidation would materially prejudice the prompt resolution of the First Dispute). The Tribunal in the First Dispute will, in the event that such representations are made, rule on the same within fourteen (14) days from the Second Dispute arising, but shall only deny consolidation for good cause shown.
- (c) The Parties also agree that either Party may file a single request for arbitration in relation to disputes arising under any combination of this Framework Agreement and such GTAs as may exist and that such request will commence a single arbitration, to be resolved by one tribunal under the procedures defined in this Clause 16.

[Remainder of Page Intentionally Left Blank]

[*Signature Page Follows*]

IN WITNESS WHEREOF the Parties hereto acting through their properly constituted representatives have set their hands to cause this Framework Agreement to be signed and executed for and on their behalf as of the Framework Agreement Execution Date.

WITNESS

FOR AND ON BEHALF OF  
TRANSPORTER

---

Name:

Company: **Pipeline Infrastructure Limited**

WITNESS

FOR AND ON BEHALF OF  
SHIPPER

---

Name:

Company: [ ]

### EXHIBIT A – RATES

Unauthorised Overrun Rate	In respect of Unauthorised Overrun Quantity	0.5 times Tariff
Positive Imbalance Rate	In respect of Cumulative Imbalance Quantity up to 10% of Exit Point MDQ	0.0
	For Cumulative Imbalance Quantity in excess of 10% of Exit Point MDQ	0.5 times Tariff
Negative Imbalance Rate	In respect of Cumulative Imbalance Quantity up to 5% of Exit Point MDQ	0.0
	For Cumulative Imbalance Quantity in excess of 5% of Exit Point MDQ	0.5 times Tariff

## EXHIBIT B1 - REQUEST FOR GTA

<b>Shipper Name</b>	
FGTA Date	
PGTS Contract ID (for Existing Contract)	
GTA Start Date	
GTA End Date	
Entry Location in PIL Pipeline	
Exit Location in PIL Pipeline	
Unified Entry Location	
Unified Exit Location	
Tariff Path	
Unified Zone	
MDQ (in MMBtu) on GHV basis	
UTR (In case the Unified Entry Location is not within PIL Pipeline)	

## EXHIBIT B2 – FORM OF GTA

GTA NO: [ ]

### 1. Parties

**Pipeline Infrastructure Limited**, a company incorporated under the Companies Act, 2013, having its Registered office at Seawoods Grand Central, Tower-1, 3rd Level, C Wing - 301 to 304, Sector 40, Seawoods Railway Station, Navi Mumbai, Thane, Maharashtra - 400706, India (“**Transporter**”); and

[ ], a company incorporated under the Companies Act, 1956, having its Registered office at [ ], India (“**Shipper**”).

### 2. Recitals

The Parties executed a Framework Gas Transportation Agreement dated [ ] (“**Framework Agreement**”) which allows for the execution of gas transportation agreements substantially in the form hereof.[*other recitals*]

3. **Execution Date:** [*insert date of execution*]

4. **Start Date:** [*insert date*]

5. **End Date:** [*insert date*]

### 6. Conditions Precedent:

(a) Conditions Precedent to be satisfied by Shipper:

- i. execution of the GSPA, and the satisfaction or waiver, in accordance with the terms thereof, of any conditions precedent under such agreement other than any condition precedent relating to the coming into effect of this GTA; and
- ii. execution of any gas transportation agreement(s) for the transportation of the Gas from the Exit Point to the Consumer’s Facilities, and the satisfaction or waiver, in accordance with the terms thereof, of any conditions precedent under such agreements other than any condition precedent relating to the coming into effect of this GTA.

(b) Conditions Precedent to be satisfied by Transporter:

- (i) [Not Applicable] [OR] [*insert applicable condition(s) precedent*]

### 7. Conditions Precedent Satisfaction Date:

The date by which the Conditions Precedent are to be satisfied or waived as per Clause 3.1 of the Framework Agreement shall be within [ ] days of the Execution Date.



8. **“Commissioning Period”** means the period beginning on the Start Date and ending at 06:00 hours on the date that is [ ] days following the Start Date; provided further that during the Commissioning Period:

*[Terms if any ]*

9. **Transportation Service**

- (a) Transporter agrees to provide Transportation Service on a firm basis and Shipper agrees to receive and pay for such Transportation Service in accordance with the terms of this GTA and the terms of the Framework Agreement and the Operating Code, which are incorporated herein by this reference; provided, however, that where a capitalized term used in this GTA is defined differently in the Framework Agreement, such defined term shall have the meaning given in this GTA.
- (b) Transporter agrees to provide such Transportation Service in accordance with the PNGRB regulations in effect and as amended from time to time.
- (b) This GTA forms an individual and several contract between the Parties. The relationship between the Parties with respect to the subject matter of this GTA shall be governed by the terms of this GTA, subject to the terms and conditions of the Framework Agreement (including the dispute resolution provisions thereof and the limitations on liability contained therein) and the Operating Code.

10. **Entry Point:** [ ]

11. **Exit Point:** [ ].

12. **Entry Point MDQ, MMBtu/Day :**

13. **Exit Point MDQ, MMBtu/Day :**

14. **Unified Entry Point:** [ ]

15. **Unified Exit Point:** [ ]

16. **Unified Contractual Path:** [ ]

17. **Unified Tariff:** Rs. [ ] / MMBtu on GHV basis

18. **Unified Tariff Ratio:** [ ]

19. **Tariff:** Rs. [ ] / MMBtu on GHV basis

20. **Pressure and Temperature:**

**Entry Point** Acceptable Pressure Range: [ ].

Acceptable Temperature Range: [ ].

**Exit Point**                      Acceptable Pressure Range: [ ].

   Acceptable Temperature Range: [ ].

21.    **“Consumer’s Facilities”** means [ ]

22.    **“Shipper’s Facilities”** means [ ]

23.    **GSPA(s):** The gas sales and purchase agreement by and between Shipper and [ ] for the purchase and sale of Gas to be transported pursuant to this GTA.

24.    **Other Terms and Conditions:** [*insert if applicable*]

WITNESS

FOR & ON BEHALF OF Transporter

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Name:

Company: **Pipeline Infrastructure Limited**

WITNESS

FOR & ON BEHALF OF Shipper

---

Name:

Company:

**EXHIBIT B3 - REQUEST FOR GTA EXTENSION**

Company	
FGTA execution date	
GTA No	
Execution Date (of GTA)	
GTA End Date (Present)	
GTA End Date (Revised)	

**Change in MDQ (if applicable)**

Date from	Date To	MDQ (in MMBtu/day)

Parties agree that this Request for GTA Extension shall form an integral part of the GTA. The terms and conditions of this Request for GTA Extension shall prevail over the terms and conditions of the GTA only to the extent that the terms and conditions hereof are in conflict with the GTA. The remaining terms and conditions of the GTA or the Framework Agreement (including the MDQ on the days other than the period mentioned above) shall not be affected by this Request for GTA extension.

<p><b><u>Requested by</u></b></p> <p>FOR &amp; ON BEHALF OF Shipper</p>  <p>_____</p> <p>Name:</p> <p><b>Company:</b></p>	<p><b><u>Agreed by</u></b></p> <p>FOR &amp; ON BEHALF OF Transporter</p>  <p>_____</p> <p>Name:</p> <p><b>Company: Pipeline Infrastructure Limited</b></p>
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## EXHIBIT C – ACKNOWLEDGMENT

To [each Seller]

Under the terms of the Gas Transportation Agreement (GTA) dated [ ] entered into between the Shipper [ ] and Pipeline Infrastructure Ltd. (PIL), PIL, has agreed to accept delivery at the Entry Point on Shipper’s behalf, of gas purchased by Shipper under the gas sales and purchase agreement (“GSPA”) with the Sellers [ ], and to provide Transportation Service from the aforesaid Entry Point to the Exit Point/ Buyer’s facilities in accordance with the terms of the GTA.

The quantity of gas tendered by Sellers and taken delivery of on behalf of Shipper at Entry Point, was tendered by Seller to, and accepted by PIL in its capacity as common carrier, for the purposes of transmission to Buyer’s facilities or to Exit Point for onward transmission in an integrated transmission to Buyer’s facilities.

PIL hereby issues to each Seller this transportation service note on Shipper’s behalf acknowledging receipt at the Entry Point of the gas delivered in the quantities specified herein by such Seller under the GSPA.

DATE: [ ]		
TRANSPORTATION SERVICE NOTE NO: [ ]		
<b>PIPELINE INFRASTRUCTURE LIMITED</b>		
TRANSPORTATION FROM [Entry Point] TO [Exit Point]		
STATION: [ ]		
CONSIGNOR: [Seller], [Location]		CONSIGNEE: [Shipper], [Location]
Day Start Time	[ ]	6.00 am
Day End Time	[ ]	6.00 am
Gas (Sold ) to Shipper(Allocation of Measured Quantity)	[ ]	MMBtu
REMARKS:		

Signed for and on behalf of:

**Pipeline Infrastructure Limited**

Authorised Signatory.

**EXHIBIT D – FORM OF LETTER OF CREDIT**

40 A	FORM DOCUMENTARY CREDIT	OF	IRREVOC TRANS STANDBY
20	DOCUMENTARY CREDIT NUMBER		XXXXXXXXXXXXXXXXXX
31C	DATE OF ISSUE		XX.XX.XXXX
40E	APPLICABLE RULES		UCP LATEST VERSION
31D	DATE AND PLACE OF EXPIRY		XX.XX.XXXX - MUMBAI, INDIA
50	APPLICANT		XXXXXXXXXXXXX XXXXXXXXXXXXX XXXXXXXXXXXXX
59	BENEFICIARY - NAME & ADDRESS		PIPELINE INFRASTRUCTURE LTD. XXXXXXXXXXXXX XXXXXXXXXXXXX XXXXXXXXXXXXX
32B	CURRENCY AMOUNT	CODE,	CURRENCY: INR AMOUNT: XXXXXXXXX

41D AVAILABLE  
WITH...BY... –

[TRANSPORTER'S CONFIRMING BANK]

BY PAYMENT

45A: DESCRIPTION OF GOODS/ SERVICES

TRANSPORTATION OF NATURAL GAS AS PER FRAMEWORK GAS TRANSPORTATION AGREEMENT DATED DD/MM/YYYY BETWEEN PIPELINE INFRASTRUCTURE LIMITED AND XXXXXXXXXXXXX.

46A: DOCUMENTS REQUIRED

1. BENEFICIARY'S CERTIFICATE STATING THAT APPLICANT HAS FAILED TO MAKE PAYMENT IN FULL OR PART FOR THE INVOICES/DEBIT NOTES NO(S) XXX DATED DD/MM/YYYY WHICH HAVE REMAINED UNPAID AS PER FRAMEWORK GAS TRANSPORTATION AGREEMENT DATED DD/MM/YYYY.
2. COPY OF COMMERCIAL INVOICE DULY SIGNED IN ONE COPY/COPY OF DEBIT NOTE.

47A: ADDITIONAL CONDITIONS

1. THIS IS A STANDBY IRREVOCABLE REVOLVING LETTER OF CREDIT ("SBLC") NO. \_\_\_\_\_ ISSUED ON (DATE TO BE MENTIONED IN DD/MM/YYYY), WHICH REVOLVES AUTOMATICALLY FOR THE VALUE DOCUMENTS PRESENTED AND HONORED BY THE ISSUING BANK AND IS VALID UP TO DD/MM/YYYY THE DATE MENTIONED IN SECTION 31D.
2. THE ISSUING BANK UNCONDITIONALLY AND IRREVOCABLY UNDERTAKES TO THE BENEFICIARY THAT IF THE PAYMENT PURSUANT TO ANY CREDIT COMPLYING PRESENTATION IS NOT MADE AT SIGHT, INTEREST @ SBI BASE RATE+6.25% P.A. WOULD BE PAYABLE FROM THE DATE OF SUCH PRESENTATION TILL THE DATE OF ACTUAL PAYMENT.
3. ALL DOCUMENTS DRAWN UNDER THIS SBLC SHOULD BE MARKED 'DRAWN UNDER SBLC NO. XXXXXXXXXXXXXXXXXXXX DATED DD/MM/YYYY.'
4. THIS SBLC WILL AUTOMATICALLY BE REINSTATED AFTER PAYMENT I.E. ISSUING BANK SHALL UNCONDITIONALLY AND IRREVOCABLY UNDERTAKE TO THE BENEFICIARY THAT, PURSUANT TO ANY PAYMENT AGAINST THE SBLC, ISSUING BANK SHALL AUTOMATICALLY REINSTATE THE VALUE OF THIS SBLC BY THE AMOUNT PAID IN ORDER TO RESTORE THIS SBLC TO ITS FACE VALUE.

NOTWITHSTANDING ANYTHING CONTAINED HEREIN, THE OVERALL MAXIMUM VALUE THAT CAN BE DRAWN UNDER THIS SBLC IS LIMITED TO TWO TIMES THE AMOUNT MENTIONED IN SECTION 32B DURING THE VALIDITY OF THIS SBLC.

5. THIS SBLC IS ALSO AVAILABLE BY PAYMENT DIRECTLY WITH THE ISSUING BANK / BRANCH OR THROUGH BENEFICIARY'S BANKER WITHOUT RECOURSE TO THE APPLICANT.
6. ALL ORIGINAL DOCUMENTS MUST BE IN ENGLISH AND MANUALLY SIGNED.
7. PARTIAL AND MULTIPLE DRAWINGS ARE ALLOWED.
8. THE ISSUING BANK UNDERTAKES NOT TO AMEND ANY OF THE TERMS AND CONDITIONS OF THIS SBLC WITHOUT PRIOR CONSENT OF BENEFICIARY DURING THE VALIDITY OF THIS SBLC.

71B	CHARGES	ALL BANK CHARGES INCLUDING NEGOTIATION, HANDLING AND INTEREST CHARGES ETC. ARE TO THE ACCOUNT OF THE APPLICANT.
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48	PERIOD FOR PRESENTATION	WITHIN THE EXPIRY OF THE SBLC
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49	CONFIRMATION INSTRUCTIONS	WITHOUT
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78 INSTR TO  
PAYG/ACCPTG/NEGOTG  
BANK

(1) SBLC TO BE ADVISED TO THE  
BENEFICIARY AT BELOW ADDRESS:  
PIPELINE INFRASTRUCTURE LIMITED

XXXXXXXXXX

XXXXXXXXXX

(2) WE HEREBY AUTHORISE THE PRESENTING  
BANK TO CLAIM FROM US UPON  
PRESENTATION OF CREDIT COMPLYING  
DOCUMENTS.

(3) UNLESS EXPRESSLY MODIFIED OR  
EXCLUDED BY THE CREDIT, THIS CREDIT  
IS SUBJECT TO THE UCP (2007 REVISION)  
ICC PUB 600.

(4) ALL OTHER COMMUNICATIONS UNDER  
THIS SBLC MAY BE DIRECTLY SENT TO  
THE ISSUING BANK.



**EXHIBIT E – OPERATING CODE**

**PIPELINE INFRASTRUCTURE LIMITED**

**PIL PIPELINE SYSTEM**

**OPERATING CODE**

## OPERATING CODE FOR PIL PIPELINE SYSTEM

### PIPELINE INFRASTRUCTURE LIMITED

This Operating Code (this “Code”) as between Pipeline Infrastructure Limited (“Transporter”) and each Shipper, sets out the general and detailed working principles that govern the day to day operation of Transporter’s PIL Pipeline System and Transportation Service thereon provided for all shippers.

This Code is incorporated into, and forms an integral part of, each Gas Transportation Agreement (each, a “GTA”) for Transportation Service on Transporter’s system executed by Transporter and the Shipper party thereto. In case of any conflict between the GTA and this Code, the terms and conditions of the applicable GTA shall prevail.

This Code is intended to provide a clear, fair, transparent and not unduly discriminatory framework for shippers having GTAs. This Code shall be binding on the parties to a GTA upon execution of the GTA by Transporter and Shipper.

### SECTION 1 – DEFINITIONS

1.1 Unless otherwise defined in this Code, capitalised terms used in this Code shall have the meaning given to them in the applicable GTA.

1.2 The following capitalised terms shall have the meanings set forth below:

“**Allocated Quantity**” has the meaning given to such term in the GTA.

“**Authorised Overrun Quantity**” has the meaning given to such term in the GTA.

“**Commingled Point**” means any Point where two or more shippers deliver Gas to Transporter or receive Gas from Transporter through the same Measurement Equipment.

“**Commingled Shippers**” means each of the shippers that deliver Gas to Transporter or receive Gas from Transporter at a Commingled Point.

“**Commingled Stream**” means the single stream of Gas at a Commingled Point.

“**Cumulative Imbalance Quantity**” has the meaning given to such term in the GTA.

“**Curtailment Day**” means a Day on which capacity is curtailed as under Section 7.

“**Daily Imbalance Quantity**” has the meaning given to such term in the GTA.

“**Documents**” shall have the meaning given such term in Section 12.2.

“**Firm Services**” means Transportation Service under GTAs wherein Transporter reserves the capacity for Shipper on a firm basis and Shipper may be liable for ship-or-pay payments in respect of the capacity booked by Shipper and Transporter may be liable for damages arising out of any shortfall.

“**Gas Day**” means the particular Day of Gas flow or for which a nomination is given or service is scheduled.

“**GTA**” shall have the meaning given such term in the preamble to this Code.

“**Intraday**” means within the Gas Day.

“**Imbalance Percentage**” for a Shipper means the Shipper’s Cumulative Imbalance Quantity divided by the Shipper’s Exit Point MDQ at the Exit Point under the applicable GTA multiplied by 100.

“**Imbalance Adjustment Quantity**” means the quantity of Gas that Shipper includes in its nomination request to reduce or eliminate its Cumulative Imbalance Quantity.

“**Interruptible Services**” means Transportation Service under GTAs wherein Transporter provides capacity to Shipper on an reasonable endeavours basis and Shipper is not liable for ship-or-pay payments and Transporter is not liable for damages arising out of any shortfall.

“**Measured Quantity**” means the quantity of Gas in MMBtu that is determined in accordance with this Code to have flowed through the Point on any Day.

“**Measurement Equipment**” means the meters and other measuring equipment and facilities installed in accordance with Section 4.

“**Metre**” is defined in ISO 1000:1981 (E).

“**MMBtu**” means 1,000,000 Btu.

“**MMSCM**” means 1,000,000 SCM.

“**Negative Imbalance Settlement Price**” means the price of highest priced Gas in the line pack of PIL Pipeline and shall include the price of gas which Transporter may procure to make up for negative imbalance not cured by shippers.

“**Operational Flow Order**” and its abbreviation “**OFO**” mean an order issued by Transporter to Shipper to alter Gas receipts and/or deliveries (including rates of flow) as necessary:

- (i) to alleviate conditions that threaten the operational integrity of Transporter’s Facilities;
- (ii) to maintain pipeline operations that are necessary to provide efficient and reliable Transportation Service under this Code and the GTA; or
- (iii) to address the conditions or circumstances identified in Section 7.2.

“**Positive Imbalance Settlement Price**” means the price of lowest priced Gas in the line pack of PIL Pipeline.

“**Scheduled Imbalance Adjustment Quantity**” means the quantity of Gas included within the Scheduled Quantity that is attributable to the Imbalance Adjustment Quantity.

“**Scheduled Quantity**” has the meaning given to such term in the GTA.

“**Specifications**” means the Gas quality specifications set out in Section 2.1.

“**Unauthorised Overrun Charge**” means the charge applied to any Unauthorised Overrun Quantity delivered at an Exit Point at the rate set out in the applicable GTA.

“**Unauthorised Overrun Quantity**” means the difference, if positive, between Shipper’s Allocated Quantity at the Exit Point and 110% of the Scheduled Quantity at the Exit Point for the Day.

“**User ID**” shall have the meaning given such term in Section 12.5.

“**Wobbe Index**” means the result of the division of the Net Heating Value (in the case of net Wobbe Index) or Gross Heating Value (in the case of gross Wobbe Index) by the square root of the relative density of the Gas in accordance with ISO 6976-1:1993(E).

## SECTION 2 – QUALITY OF GAS

- 2.1 The Gas to be received by Transporter from Shipper at the Entry Point and the Gas to be delivered by Transporter to Shipper at the Exit Point shall conform to the following specifications (“**Specifications**”):
- (a) shall be free, at the prevailing pressure and temperature in Transporter’s pipeline, from objectionable odours, sand, dust, gums, oils, impurities, other objectionable substances which may become separated from the Gas, and other solids or liquids which will render it unmerchantable or cause injury to or interference with proper operations of the lines, regulators, meters or other appliances through which it flows; and shall not contain any substance not contained in the Gas at the time the same was produced other than traces of those materials and chemicals necessary for the transportation and delivery of the Gas and which do not cause it to fail to meet any of the quality specifications herein set forth. Shipper shall furnish, install, maintain and operate, or cause such activities to occur, such drips, separators, heaters and other mechanical devices as may be necessary to effect compliance with Specifications in its facilities;
  - (b) shall in no event contain any mix of components that will cause the presence of any liquids in the pipeline under normal operating conditions; and
  - (c) shall not contain any toxic or hazardous substance, in a concentration which, in the normal use of the Gas, results in an unacceptable risk to health, is injurious to pipeline facilities, is a limit to merchantability or is contrary to applicable governmental standards.
  - (d) The threshold limits for other elements, Water Dew Point and Hydrocarbons Dew Point shall comply with Regulation 5 of Petroleum and Natural Gas

Regulatory Board (Access Code for Common Carrier or Contract Carrier Natural Gas Pipelines) Regulations, 2008 as provided herein below.

### Gas quality specifications

Parameters	Limit
Hydrocarbons dew pt (Degree Celsius, max.)*	0
Water dew pt(Degree Celsius, max )*	0
Hydrogen Sulphide (ppm by wt. max.)	5
Total Sulphur (ppm by wt. max.)	10
Carbon dioxide (mole % max.)	6
Total inerts (mole % )	8
Temperature ( Degree Celsius, max.)	55
Oxygen (% mole vol. max.)	0.2

\* At the pipeline operating pressure

- 2.2 The Party measuring Gas quality shall use approved standard methods in accordance with Sections 3 and 4 and in general use in the Gas industry, and shall cause adequate tests to be made to determine the quality of the Gas delivered. Such tests shall be made at intervals frequent enough to determine that the Gas conforms to the Specifications.

Chromatography shall be performed in accordance with ISO 6975 (“Gas – Extended analysis – Gas-chromatographic method”) or any other equivalent standards generally accepted in the Gas industry in India. The values of the physical constants for the Gas components shall be determined in accordance with ISO 6976 (“Gas – Calculation of calorific values, density, relative density and Wobbe index from composition”) and AGA -8 (“Gas – Calculation of compression factor”) or any other equivalent standards generally accepted in the Gas industry in India.

Transporter may install and operate equipment to monitor the quality of the Gas being received by the Transporter from Shippers at the Entry Point.

- 2.3 If the Gas being received by Transporter at the Entry Point fails at any time to conform to the Specifications, Transporter may exercise its rights under the GTA with respect to accepting or rejecting such Off-Spec Gas.
- 2.4 If the Gas received by Shipper at the Exit Point fails at any time to conform to the Specifications, Shipper may exercise its rights under the GTA with respect to accepting or rejecting such Off-Spec Gas.

### SECTION 3 – MEASUREMENT

- 3.1 The volume and the total heating value of Gas received at the Entry Point and delivered at the Exit Point on a Day shall be determined as follows:
- (a) the unit of Gas received and delivered shall be MMBtu; and
  - (b) the unit of volume, for the purpose of measurement, shall be SCM. The readings and registrations of the Measurement Equipment provided for herein and determinations of Net Heating Value and/or Gross Heating Value shall be computed in terms of such volumes.
- 3.2 The factors required to determine the volume of Gas received shall be calculated in accordance with the American Gas Association Bulletin Number 9 and any modifications and amendments thereof, and applied in a practical manner.

### SECTION 4 – MEASUREMENT EQUIPMENT

- 4.1 With respect to Gas received under a GTA at the Entry Point, unless otherwise agreed in the GTA, Shipper shall install, operate and maintain the Measurement Equipment or cause the same at the Entry Point.
- 4.2 With respect to Gas delivered under a GTA at the Exit Point, unless otherwise agreed in the GTA, Transporter shall install, operate and maintain the Measurement Equipment at the Exit Point.
- 4.3 The Party responsible for installing, operating, and maintaining the Measurement Equipment at a Point shall be the “**Measuring Party**” for that Point and the other Party shall be the “**Non-Measuring Party**” for that Point.
- 4.4 The Measured Quantity at each Point shall be communicated by the Measuring Party at the Entry Point and Exit Point to the Non-Measuring Party using the Measuring Party’s website or by e-mail on the Day after the Gas Day. The Measured Quantity at each Point shall be confirmed by the Non-Measuring Party to the Measuring Party using the Measuring Party’s website or by e-mail or joint tickets duly signed by both the Parties on the Day after the Gas Day, on receipt of the aforesaid Measured Quantity by the Non-Measuring Party. The communicated data shall be used for allocation of Gas at the Entry Point and Exit Point. Any information / allocation shown on Transporter’s electronic system prior to verification shall be operational information in nature and is subject to change until verified.

For avoidance of doubt, any data which is made available online by the Measuring Party (Transporter) at the Exit Point to the Downstream Pipeline Operator for the purpose of monitoring the flow of Gas and/or for other operational reasons shall not be used for allocation of Gas by the Downstream Pipeline Operator at such Exit Point. The Measured Quantity as communicated by the Measuring Party to the Non-Measuring Party shall be used for allocation of Gas at such Exit Point by the Transporter and the Downstream Pipeline Operator.

Provided further, Shipper shall authorise the Downstream Pipeline Operator to receive from the Measuring Party the Measured Quantity at the Exit Point on the Day after the

Gas Day and confirm such Measured Quantity to Measuring Party electronically or through any other agreed mode. The same shall be deemed accepted by Shipper if no confirmation from the Downstream Pipeline Operator as to such measured quantity is received by the Measuring Party within 24 hours.

- 4.5 All Measurement Equipment for the determination of volume, Gross Heating Value, and relative density of Gas shall be approved pursuant to, and installed and maintained in accordance with, the currently published standards of the American Gas Association or such standards as may be required by Law, or as mutually agreed upon. Notwithstanding the foregoing, all installation of Measurement Equipment applying to or affecting deliveries of Gas shall be made in such manner as to permit an accurate determination of the quantity and Gross Heating Value of Gas delivered and ready verification of the accuracy of measurement. Care shall be exercised by all Parties in the installation, maintenance and operation of pressure regulating equipment so as to prevent any inaccuracy in the determination of the energy of Gas received or delivered under the GTA.
- 4.6 The accuracy of Measurement Equipment shall be verified by the Measuring Party at reasonable intervals in line with standard industry practices at the expense of the Measuring Party (except as provided below in the case of special tests), and if requested, in the presence of representatives of the Non-Measuring Party, but the Measuring Party shall not be required to verify the accuracy of such equipment more frequently than once in any 30 day period. In the event the Non-Measuring Party notifies the Measuring Party that it desires a special test of any Measurement Equipment that is on a more frequent basis than standard industry practice, the Parties shall co-operate to secure a prompt verification of the accuracy of such equipment. The expense of any such special test shall be borne by the Non-Measuring Party if the Measurement Equipment is found to be in error by not more than  $\pm 1.0\%$ .
- 4.7 If upon test, any Measurement Equipment is found to be in error by not more than  $\pm 1.0\%$ , the previous readings of such equipment shall be considered accurate in computing deliveries or receipts of Gas, but such equipment shall be calibrated at once to register accurately.
- 4.8 In the event a meter is out of service or registering inaccurately, the volume of Gas delivered during the period that such meter is out of service or registering inaccurately shall be determined:
  - (a) by correcting the error if the percentage of error is ascertainable by calibration, tests, or mathematical calculation;  
or, in the absence of (a);
  - (b) by estimating the quantity of delivery by deliveries during periods under similar conditions when the meter was registering accurately or by estimating the quantity of delivery using the flow control valves, operating parameters, and line pack variation.  
or, in the absence of both (a) and (b);

- (c) by using the registration of any check meter or meters, if installed and accurately registering.
- 4.9 If, for the period since the last test, it is determined during verification that the Measurement Equipment is in error by more than  $\pm 1.0\%$ , then the previous readings of the Measurement Equipment shall be corrected to zero error for any agreed period since the last test, but if the period is not agreed upon such correction shall be for a period extending over the last half of the time elapsed since the date of the last test, not exceeding a correction period of 16 days.
- 4.10 Any meter adjustment for a Fortnight done after the Fortnightly Invoice is raised for that Fortnight, becomes a prior period adjustment. For treatment of measurement of prior-period adjustments, Transporter shall treat the adjustment by taking it back to the production Fortnight. Measurement data corrections shall be processed no later than 90 days from the production Fortnight. If such prior-period adjustment results from any calibration error, the provisions of Section 4.9 shall apply for such correction period.
- 4.11 Any adjustment to be made as a consequence of a measurement correction pursuant to Section 4.9 shall be made in the next Fortnightly Invoice as provided under Clause 8.3(c) of the GTA. Further, if such carry over and adjustment is not possible on account of expiry or termination of the GTA, such dues shall be paid forthwith by the owing Party to the other Party.
- 4.12 The Non-Measuring Party, in its facilities, may install, maintain and operate at its own expense, such check Measurement Equipment as desired, provided that such equipment shall be so installed as not to interfere with the operation of the Measuring Party's Measurement Equipment. Any pressure or volume control regulators installed by the Non-Measuring Party shall be operated so as not to interfere with the Measuring Party's Measurement Equipment.
- 4.13 All Measurement Equipment shall remain the property of the Measuring Party. However, either Party shall have the right to have representatives present at the time of any installing, reading, cleaning, changing, repairing, inspecting, testing, calibrating or adjusting done in connection with the other's Measurement Equipment used in measuring or checking the measurement of the delivery of Gas. The records from such Measurement Equipment shall remain the property of their owner, but upon request each will submit to the other its records and charts, together with calculations there from, for inspection and verification, subject to return within 30 days after receipt thereof.
- 4.14 Transporter and Shipper shall each preserve for a period of at least three years all test data, charts and other similar records or such longer period as may be required by the regulatory authority.

## **SECTION 5 – NOMINATIONS**

### **5.1 General.**

- (a) Shipper shall by notice to Transporter nominate the specific quantity of Gas in MMBtu to be transported under Shipper's GTA for each Day of the nomination period (such nominated quantity being the DNQ). Such nomination shall



specify the begin- and end-dates of the period in which such deliveries are desired, the desired quantities at each Entry Point and each Exit Point, and such additional information as Transporter determines to be necessary. Shipper's nomination may include a request for Authorised Overrun Quantities, specifying the applicable Entry Point and Exit Point, the applicable Gas Day and the amount of Authorised Overrun Quantity. Any Imbalance Adjustment Quantity shall be identified and nominated separately. Subject to Section 12, nominations shall be submitted in electronic form unless otherwise notified by Transporter.

- (b) All nominations of DNQ shall be considered original nominations and must be replaced to be changed. When a nomination for a date range is received, each Day within that range is considered an original nomination. When a subsequent nomination is received for one or more Days within that range, the previous nomination is superseded by the subsequent nomination only to the extent of the Days specified in such subsequent nomination. The Days of the previous nomination outside the range specified in the subsequent nomination are unaffected.
- (c) In the absence of a nomination of a DNQ for any Day from shippers availing Firm Services, shippers shall be deemed to have nominated the same DNQ as for the previous Day.
- (d) Nominations have a prospective effect only.
- (e) Transporter will allow for Intraday nomination. Intraday nomination shall specify Shipper's service requirements for a Gas Day only and shall include an effective date and time. Intraday nominations do not replace the standing nomination for the remainder of the period for which the nomination was given as per sub-Section (a) above.

5.2 Electronic Nominations. Shipper shall use Transporter's web based system or e-mail or facsimile to nominate for transportation of Gas on the terms and subject to the conditions set out in Section 12.

5.3 Confirmations: Transporter shall seek confirmations from respective upstream and downstream connected parties against each of the nominations prior to scheduling the quantities in accordance with Section 6 below. Shipper shall cause the same to happen through such respective agreements as may be executed with upstream and downstream parties.

5.4 Nominations. The nomination under all GTAs shall be submitted electronically to Transporter, and shall be processed and made effective, no later than the time specified in the nomination timeline below, or such lesser period as is acceptable to Transporter.

- (a) Nomination Cycle: 12:00 hours for receipt of nominations from Shippers; 17:30 hours for receipt of confirmations from Upstream Operator or Upstream Pipeline Operator and Downstream Pipeline Operator; by 19:00 hours for Transporter to provide notice of Scheduled Quantities to Shippers (foregoing times stated as of the Day prior to the Gas Day). Scheduled Quantities resulting from the first nomination cycle will be effective at 06:00 hours on the Gas Day.

- (b) Intraday 1 Nomination Cycle: 10:00 hours for receipt of nominations from Shippers; 11:00 hours for receipt of confirmations from the Upstream Operator or Upstream Pipeline Operator and Downstream Pipeline Operator; by 11:30 hours for Transporter to provide notice of the Scheduled Quantities to Shippers. Scheduled Quantities resulting from Intraday 1 nominations shall be effective from 12:00 hours on the Gas Day.
  - (c) Intraday 2 Nomination Cycle: 16:00 hours for receipt of nominations from Shippers; 17: 00 for receipt of confirmations from the Upstream Operator or Upstream Pipeline Operator and the Downstream Pipeline Operator ; by 17:30 hours for Transporter to provide notice of the Scheduled Quantities to Shippers. Scheduled Quantities resulting from Intraday 2 nominations shall be effective from 18:00 hours on the Gas Day.
- 5.5 Transporter shall use reasonable endeavours to accept a nomination made by Shipper under the Intraday nomination cycle established in Section 5.4 but shall be under no obligation to accept such nomination.
- 5.6 Transporter may review any request for Authorised Overrun Quantity and shall use reasonable endeavours, but shall be under no obligation, to accept Shipper's request. Any requests for Authorised Overrun Quantities shall be subject to Clause 2.1(b)(iii) of the GTA.

## **SECTION 6 – SCHEDULING**

- 6.1 Scheduling Sequence. Based upon the DNQ and the nomination/confirmation process at Entry Point(s) and Exit Point(s) in each nomination cycle, the lower of the confirmed quantities by the Upstream Operator or the Upstream Pipeline Operator and the Downstream Pipeline Operator becomes the Scheduled Quantity. Subject to Section 7.4 below, in case of a constraint in Transporter's pipeline at any location and total confirmed quantities exceed the location capacity, Transporter shall schedule the receipts and the deliveries of Gas in the following sequence based on the confirmed quantities:
- (a) SUG nomination by Transporter for its own requirements for operating the pipeline;
  - (b) nominations for Imbalance Adjustment Quantities for Firm Services and Interruptible Services (and within this category on a pro rata basis in accordance with nominations for such Imbalance Adjustment Quantities);
  - (c) all Firm Services nominations from shippers of city or local natural gas distribution networks (and within this category on a pro rata basis in accordance with nominations for such Firm Services).
  - (d) all Firm Services nominations (and within this category on a pro rata basis in accordance with nominations for such Firm Services), other than nominations covered in sections 6(b) and 6(c) above; and

- (e) all Interruptible Services and Authorised Overrun Quantity nominations (and within this category on a pro rata basis in accordance with nominations for such Interruptible Services and Authorised Overrun Quantity nominations).
- 6.2 Notice of Amounts Scheduled. Upon completion of scheduling pursuant to Section 6.1, Transporter shall notify each Shipper of the quantities in MMBtu scheduled for receipt at the Entry Point(s) and for delivery at the Exit Point(s) under each GTA (“**Scheduled Quantity**”). The notice will include the estimated SCM of the Scheduled Quantity.
- 6.3 Limitation. Transporter shall be under no obligation to schedule quantities where the resulting Gas flows are less than required to operate any necessary compression facilities or are less than required for accurate measurement of the Gas.
- 6.4 Scheduling Failure. For the avoidance of doubt, in the case of a GTA for Firm Services, it is clarified that if failure to schedule by Transporter is due to failure of the Upstream Operator or the Upstream Pipeline Operator or Downstream Pipeline Operator to confirm the nomination in accordance with the Section 5.3 of this Code prior to scheduling, then any such quantity shall not be included in the Shortfall Quantity and Transporter shall have no liability under such GTA for Shortfall Quantity.

## SECTION 7 – CURTAILMENT

- 7.1 General. If the capacity of Transporter’s Facilities, or any part thereof, is impaired so that Transporter is unable to receive or to deliver the total Scheduled Quantity or if the circumstances under Section 7.2 apply, then Transporter shall have the right to curtail, interrupt or discontinue service in whole or in part on all or a portion of its system from time to time and at any time by issuance of an Operational Flow Order, and Transporter shall be excused from providing Transportation Service to that extent but subject to the limitations of this Section 7. Transporter shall allocate such reduced available capacity in accordance with this Section 7.

In addition to any other excuse from providing Transportation Service under a GTA for Firm Services (such excuse including on account of Force Majeure or Planned Works, or as a result of Shipper’s non-compliance with the GTA or this Code, or as a result of Transporter exercising its rights of suspension under the GTA), Transporter shall be excused under this Section 7 from providing such Transportation Service, provided that such excuse shall not exceed a cumulative period of one hundred and sixty-eight (168) hours in any Contract Year, but nothing herein shall limit the obligation of Shippers to comply with an Operational Flow Order issued by Transporter pursuant to the terms of this Section 7.

- 7.2 Causes of Curtailment. Transporter shall have the right to curtail, interrupt or discontinue service at any time pursuant to issuance of an Operational Flow Order:
  - (a) when necessary, in Transporter’s reasonable judgment, to maintain the operational integrity of its system;
  - (b) to perform repairs, improvements and regulatory compliance activity, provided that Transporter shall use reasonable endeavours to schedule such activity so as to minimize disruptions of service and shall provide reasonable notice of such interruptions to affected Shippers;

- (c) when necessary, in Transporter's reasonable judgment, to enable Transporter to meet its Firm Services obligations, all other services may be curtailed;
- (d) to the extent necessary, in Transporter's reasonable judgment, to comply with Laws; and
- (e) to the extent necessary, in Transporter's reasonable judgment, to protect people, property (including Transporter's Facilities), or the environment.

7.3 Operational Flow Orders.

- (a) Operational Flow Orders shall be issued on an equitable and not unduly discriminatory basis among shippers and shall be issued to all the shippers at the same time. The Operational Flow Orders shall be issued as expeditiously as possible.
- (b) Transporter shall as soon as is reasonably practicable after issuing an OFO notify Shipper of its available capacity at each affected Point for the duration of the OFO.

7.4 Order of Curtailment. In the event service is interrupted or curtailed, Transporter shall revise the Scheduled Quantity for the affected Shippers beginning with category (a) below and continuing through the categories of service in the following order:

- (a) all Scheduled Quantities for Interruptible Services and Authorised Overrun Quantities (and within this category on a pro rata basis in accordance with the original Scheduled Quantities for Interruptible Services and Authorised Overrun Quantities);
- (b) all Scheduled Quantities in respect of all Firm Services (and within such category on a pro rata basis in accordance with the original Scheduled Quantities for Firm Services );
- (c) all Scheduled Quantities of city or local natural gas distribution networks (and within such category on a pro rata basis in accordance with the original Scheduled Quantities of city or local natural gas distribution networks). For avoidance of doubt Scheduled Quantities of gas for city or local gas distribution networks do not form a part of category (a) and (b), but shall form part of this category (c);
- (d) all Scheduled Imbalance Adjustment Quantities for Firm and Interruptible Services (and within this category on a pro rata basis in accordance with the original Scheduled Imbalance Adjustment Quantities for Firm and Interruptible Services); and
- (e) all Scheduled Quantities of SUG.

Notwithstanding the above, if PNGRB stipulates the curtailment order under its regulations which is at variance with the above, such regulations of PNGRB shall prevail to the extent the order of curtailment under this section 7.4 is at variance with the regulations of PNGRB.

- 7.5 All OFOs will be posted on Transporter’s website and by a notice to affected Shippers, by e-mail, that will set forth the causes or conditions necessitating the OFO. Transporter will issue an OFO as expeditiously as is reasonable and practicable in the circumstances. When practicable, Transporter will provide sufficient notice to Shippers to accommodate scheduling requirements on interconnecting pipelines. Each OFO will contain the following:
- (a) time and date of issuance;
  - (b) time that the OFO is considered to be effective (if no time is specified, the OFO shall be effective immediately);
  - (c) duration of the OFO (if none is specified, the OFO will be effective until further notice);
  - (d) the Shipper (or shippers) to which the OFO applies;
  - (e) the conditions that triggered the issuance of an OFO; and
  - (f) any other term Transporter may reasonably require to ensure the effectiveness of the OFO.

Transporter will notify the affected Shippers when any OFO in effect will be cancelled and state the conditions that occurred, or are projected to occur, that allowed its cancellation.

- 7.6 Upon the issuance of an OFO by Transporter, Shipper shall adjust Gas quantities as directed within the time frame specified in the OFO. Failure to comply in a timely fashion with an OFO may result in an immediate interruption of all or a portion of Shipper’s service. The responsibility for payment of unauthorised overrun penalties does not create the right to exceed the levels established by an OFO.
- 7.7 In the event a Shipper does not respond to the OFO and Transporter believes it is necessary to take actions such as buying or selling Gas to maintain system integrity or to prevent interrupting Firm Services, Transporter shall have the right, but not the obligation, to take such remedial actions as it deems necessary. If Transporter takes these actions, it shall be made whole by the non-responding Shipper for all costs that Transporter incurs.
- 7.8 Notwithstanding the foregoing, when Gas supplies necessary to effectuate transportation deliveries are not flowing on the system, Transporter will not be responsible for backing up such supplies, and the associated deliveries will be subject to interruption.

## **SECTION 8 – ALLOCATIONS**

- 8.1 Allocation Agreement. At a Commingled Point, Transporter and the Commingled Shippers may agree on any Pre-Determined Allocation (“PDA”) methodology that is operationally and administratively feasible.

- 8.2 In respect of the Entry Point as a Commingled Point and subject to any applicable PDA, the Measured Quantity shall be allocated among the Commingled Shippers on a pro rata basis in proportion to the Scheduled Quantities at such Entry Point.
- 8.3 In respect of the Exit Point as a Commingled Point and subject to any applicable PDA, the Measured Quantity shall be allocated among the Commingled Shippers in proportion to the Scheduled Quantities at such Exit Point. Provided further, if the difference between the Measured Quantity and the total Scheduled Quantity at the Exit Point is attributable to any of the Commingled Shippers, Transporter shall have the right to reallocate the Measured Quantity at such Exit Point among the Commingled Shippers after taking into consideration the quantity of Gas actually off-taken by the Commingled Shippers at the exit point of the Downstream Pipeline. It is agreed by the Shipper that Shipper shall make available to the Transporter, on a daily basis, information as to the quantity of Gas actually off-taken by the Shipper at the exit point of the Downstream Pipeline after adjusting for system use Gas and imbalances, if any and the scheduled quantities at entry and exit points of Downstream Pipeline. Transporter may also consult the Downstream Pipeline Operator for getting such information.

Notwithstanding the above, Transporter shall have the right to allocate the Measured Quantity among the Commingled Shippers on a pro rata basis in accordance with the Scheduled Quantities, in case (i) the quantity of Gas actually off-taken by the Commingled Shippers at the exit point of the Downstream Pipeline is not available on any Day or (ii) the reasons for the difference between the Measured Quantity and the total Scheduled Quantity at the Exit Point cannot be ascertained on any Day by the Transporter or (iii) difference between the Measured Quantity and the total Scheduled Quantity at the Exit Point is on account of the default of the Downstream Pipeline Operator .

- 8.4 Non-Commingled Point. If a Point is not a Commingled Point, then all of the Measured Quantity at such Point shall be attributed to Shipper at such Point.
- 8.5 Allocation. Transporter shall provide through e-mail or post on the Transporter's website an allocation of the Measured Quantity at each Point to each of the shippers at such Point by 12:00 hours on the Day after the Gas Day.
- 8.6 Confirmation at Entry Point: Shipper may authorise Transporter to confirm to the Upstream Operator or the Upstream Pipeline Operator at the Entry Point the quantity of Gas received by Transporter, on account of Shipper at the Entry Point. Details of such Upstream Operator or Upstream Pipeline Operator shall be provided by Shipper to Transporter.
- 8.7 Confirmation at Exit Point: Shipper may authorise the Downstream Pipeline Operator or any agent at the Exit Point to confirm to Transporter the quantity of Gas received by such Downstream Pipeline Operator or the agent on account of Shipper at the Exit Point. Details of such Downstream Pipeline Operator or the agent shall be provided by Shipper to Transporter.
- 8.8 Joint Tickets: Shipper shall sign or cause to sign joint tickets with the Transporter for the quantities of Gas delivered on account of the Shipper to the Transporter at the Entry Point and for the quantities of Gas received on account of the Shipper from the

Transporter at the Exit Point, promptly following the determination of Allocated Quantity for each Day.

## SECTION 9 – BALANCING

- 9.1 Shipper's Responsibility. It is Shipper's responsibility to provide accurate and timely nominations of quantities proposed to be received and delivered by Transporter under all of Shipper's GTAs; to maintain each Day as nearly as practicable equality between quantities actually delivered at the Entry Point and received at the Exit Point by Shipper under each GTA and Shipper's Scheduled Quantities under each GTA; and to maintain a concurrent daily balance between receipts and deliveries under each of Shipper's GTAs.
- 9.2 Transporter's Responsibility. Without prejudice to Shipper's own responsibilities for maintaining balanced receipts and deliveries, Transporter will monitor, to the extent practicable, deliveries and receipts for each GTA and, based upon information available, notify Shipper, by electronic means or otherwise, of any imbalance situation that has occurred or may occur unless corrective action is taken. Upon notification, Shipper shall endeavour to adjust deliveries and receipts to avoid any imbalance by nominating Imbalance Adjustment Quantities. Any adjustment to deliveries and receipts by Shipper, whether or not pursuant to notification from Transporter, shall be coordinated with Transporter and shall be in accordance with the nomination and scheduling procedures of this Code. Transporter shall not be obligated to receive Gas at the Entry Point in excess of Scheduled Quantities, nor shall Transporter be obligated to deliver to Shipper at the Exit Point quantities in excess of Scheduled Quantities.
- 9.3 Imbalance Curing.
- (a) Transporter shall notify Shipper of its Daily Imbalance Quantity based on such allocation as may be carried out by Transporter in accordance with this Operating Code no later than 10:00 hours on the day following the Gas Day.
  - (b) If, on any Day, Shipper's Imbalance Percentage is less than minus 5% or more than plus 10%, Shipper shall include in its nomination an Imbalance Adjustment Quantity that will ensure, to the greatest extent possible, that the Imbalance Percentage is within such required range. If Shipper fails to bring Shipper's Imbalance Percentage within the required range, then Transporter shall have the right to adjust the nominations of Shipper to include an Imbalance Adjustment Quantity, without any liability under a GTA for Firm Services for Shortfall Quantity arising out of such adjustment.
  - (c) At the end of each Fortnight, Transporter shall calculate Shipper's Cumulative Imbalance Quantity. Within 3 days of receipt of such statement of the Cumulative Imbalance Quantity, Shipper shall adjust its DNQ, through the Imbalance Adjustment Quantity, to reduce such Cumulative Imbalance Quantity to zero.
  - (d) If Shipper fails to adjust its DNQ as required in sub-Section (b) or (c) above, Transporter may nominate Imbalance Adjustment Quantity at the Exit Point, if Shipper has a positive Cumulative Imbalance Quantity, or may nominate Imbalance Adjustment Quantity at the Entry Point, if Shipper has a negative

Cumulative Imbalance Quantity, without any liability for Shortfall Quantity under a GTA for Firm Services arising out of such adjustment. Such imbalance nominations may also include changes in the regular nominations at Entry and Exit Points.

- (e) Notwithstanding anything to the contrary in a GTA, Transporter shall not have any liability under a GTA for Shortfall Quantity arising out of any imbalance curing by the Parties and imbalance curing shall not give rise to a determination of Shortfall Quantity under a GTA.

9.4 Transporter's Reservation. Nothing in this Code shall limit Transporter's rights to take action as may be required to adjust receipts or deliveries to reflect actual experience or to alleviate conditions which threaten the integrity of Transporter's system, including maintenance of service to Shippers and/or services that have a higher priority as set out in Section 7.4.

9.5 Reconciliation. Upon the expiry or termination of a GTA, Transporter and Shipper shall reconcile the total quantities of Gas delivered by Shipper to Transporter and offtaken by Shipper from Transporter under such GTA. If upon such reconciliation, it is found that one Party owes a quantity of Gas to other Party, the owing Party shall deliver such quantity to other Party within three days of expiry or termination of the GTA (or Parties may mutually agree to carry forward such quantity of Gas under a subsequent GTA). If such reconciliation is not made good in Gas, it shall be settled in cash at the Positive Imbalance Settlement Price in case the quantities of Gas are owed by Transporter to the Shipper or at the Negative Imbalance Settlement Price in case the quantities of Gas are owed by Shipper to the Transporter. Shipper shall pay the Tariff in effect at the End Date, plus applicable Taxes, on any quantities delivered under this Section 9.5; provided, however, that in the case of a GTA for Firm Services, if Shipper incurred and paid a Monthly Ship-or-Pay Payment for the period ending on the expiry or termination of the relevant GTA, Shipper shall pay the applicable Tariff only on such quantities that exceed the corresponding Monthly Ship-or-Pay Deficiency.

## **SECTION 10 – PRESSURE**

10.1 Entry Pressure. All Gas tendered by Shipper to Transporter at the Entry Point shall be tendered at Transporter's prevailing pressure at that Point, within the Acceptable Pressure Range set out in the GTA. If Shipper fails to deliver Gas within the Acceptable Pressure Range at an Entry Point, Transporter shall have no obligation to transport the Gas tendered at such Point and, in the case of a GTA for Firm Services, Shipper may be liable for ship-or-pay payments as determined in such GTA. If Transporter fails to maintain the facilities at the Entry Point within the Acceptable Pressure Range as set out in the GTA and Shipper is unable to deliver Gas in the Transporter's Facilities, then in the case of a GTA for Firm Services, Transporter may be liable for Shortfall Quantity as determined in such GTA.

10.2 Exit Pressure. All Gas delivered by Transporter to Shipper at the Exit Point shall be at the pressure existing in the Downstream Pipeline; within the Acceptable Pressure Range set out in the GTA. If, in the case of a GTA for Firm Services, Transporter fails to meet the Acceptable Pressure Range at an Exit Point due to which Shipper fails to take delivery of Gas at such Point, Transporter shall be deemed to have failed to make



the Gas available at such Point and may be liable for Shortfall Quantity as determined in such GTA.

### SECTION 11 – FLOWS

- 11.1 Unless otherwise expressly agreed between Transporter and Shipper, Shipper shall use reasonable endeavours to deliver to Transporter and take from Transporter Gas in uniform hourly rates to the extent possible, during any Day.
- 11.2 Shipper may request Transporter to change the rates of delivery or receipt. Transporter will do so to the extent that it can, in its judgment, without adversely affecting its deliveries of Gas to other Shippers.
- 11.3 Shipper shall cause the rate of deliveries to Transporter at the Entry Point under a GTA to equal as nearly as practicable the rate of deliveries by Transporter at the Exit Point under such GTA.

### SECTION 12 – ELECTRONIC ARRANGEMENTS

- 12.1 Each Party hereby confirms to transacting business under this Code and the GTA by electronically transmitting and receiving data electronically in relevant formats and agree that such electronic transactions are legally valid and enforceable.
- 12.2 Transporter and Shipper may, and when required by Transporter or Shipper in accordance with this Code or the GTA shall, electronically transmit to or receive from the other Party any of the electronic forms provided for in Transporter's electronic system (called as PGTS or by some other name to be communicated by Transporter to Shipper) or on its website, as applicable, including, but not limited to, nominations, confirmations, scheduling, allocations, allocation confirmations, invoicing, location capacity (the "**Documents**").
- 12.3 Any Document entered into electronically between the Parties shall be governed by the provisions of this Code and the GTA. If the terms and conditions of a Document and this Code are in conflict, the terms and conditions of this Code shall prevail.
- 12.4 Shipper shall designate the Person(s) authorized to bind Shipper through electronic communications by sending the information such as name, User ID and the transaction for which such Person is responsible to Transporter in writing within seven (7) days of the execution of this Code. Such designated Persons' submissions(s) of acceptances or rejections of Documents shall legally bind Shipper to the terms of this Code, the Document or other transaction, as applicable. Shipper shall be obligated to notify Transporter of changes to such authorized Persons.
- 12.5 Shipper hereby requests Transporter to provide user names ("**User ID**") and passwords for enabling the electronic transactions using Transporter's electronic system (PGTS) or its website. Transporter shall provide such User ID and passwords to Shipper. Shipper shall be responsible for: ensuring that all electronic transmissions on its behalf are authorized; protecting its business records and data from improper access, and keeping User IDs and passwords confidential. Transporter reserves the right to invalidate any User ID or password if it suspects a security breach.

- 12.6 When Shipper's authorized Person(s) transmits an acceptance of a Document, or terms contained in a Document, transmitted by Transporter, Shipper shall be bound to the terms contained in such Document, as well as the terms of this Code and the date/time of Transporter's receipt shall be deemed the date/time of execution thereof.
- 12.7 The Parties recognize that the form of the Documents may change from time to time, including, but not limited to, those Documents posted on Transporter's website. Accordingly, it shall be each Party's responsibility to print and/or otherwise archive the Documents to which its transactions are subject.
- 12.8 If any electronic system is not working, the Parties shall ensure compliance of the terms of this Code using an alternate mode of communication such as but not limited to fax, e-mail, courier services or telephone.

### SECTION 13 – MISCELLANEOUS

#### 13.1 Modifications.

- (a) Transporter or any Shipper may propose modifications (each a “**Modification**”) to this Code. Each proposed Modification shall be presented in the following manner:
- (i) a proposed Modification shall be in writing;
  - (ii) a proposed Modification shall set out in sufficient detail the nature and purpose of the proposed Modification;
  - (iii) the proposer shall nominate an individual as its representative in relation to the proposed Modification; and
  - (iv) if the proposer considers that the Modification is urgent, the Modification shall be identified as urgent.
- (b) Transporter may from time to time prescribe the form that Modification proposals must take.
- (c) Transporter shall communicate any proposed Modification to all Shippers.
- (d) Transporter shall be entitled to reject any Modification proposed by a Shipper if it considers it unreasonable, impracticable or contrary to legal requirements.
- (e) Transporter shall consider any Modification proposed by a Shipper if deemed appropriate and consult with Shippers or with any third party that Transporter shall deem appropriate.
- (f) Transporter shall prepare and submit such report as may be required, within an appropriate time period, which shall include:
- (i) a description of the consultation which has taken place in relation to such Modification and

- (ii) where the Modification was proposed by a Shipper, a recommendation by Transporter to accept, reject (outlining the reasons for such rejection), or modify the proposed Modification.
- (g) Following the issuance of the foregoing report, Transporter shall notify the shippers of its decision in relation to any proposed Modification, and where such Modification was proposed by or is otherwise supported and accepted by Transporter, it shall prepare and issue the draft Modification to Shippers. Transporter may vary the terms of any proposed Modification or attach such conditions thereto as it considers appropriate.
- (h) Following such suggestions on or amendments to a draft Modification as Transporter considers appropriate, Transporter shall incorporate the Modification into this Code and distribute the revised Code to all Shippers.
- (i) Where a Modification (or an amendment to a proposed Modification) is proposed by a Shipper but rejected by Transporter, or where Transporter declines to support such Modification (or an amendment to a proposed Modification), Transporter shall issue a notice outlining the reasons for such action.
- (j) If Transporter considers that a Modification is urgently required in order to:
  - (i) comply with any legal requirement or change in law or regulation affecting Transporter's system;
  - (ii) comply with the consequences of changes to the normal operation of Transporter's system; or
  - (iii) take into account experience in the operation, maintenance or use of Transporter's system and of transportation systems generally, good industry practice or changes in technology;
 then Transporter shall issue a Modification to this Code and with the consent of Shipper which shall not be unreasonably withheld, the same shall be incorporated into this Code with immediate effect.
- (k) Notwithstanding the foregoing, any modification of any provision of this Code that would have the effect of changing the potential liability of either Transporter or Shipper under the GTA or this Code or that would have a commercial effect on either Party shall not be effective as to the affected Party unless agreed by Transporter and the affected Party.

13.2 RPO Standard. Transporter and Shipper shall each act as a Reasonable and Prudent Operator in exercising its respective rights and carrying out its respective obligations under this Code.

