

AGREEMENT FOR HOOKING-UP FACILITIES

This **Agreement for Hooking-Up of ENTITY's Facilities ("Agreement")** is made on the day of 20..... (**"Execution Date"**), between:

M/s GAIL (India) Limited, a company incorporated under the Companies Act, 2013 and having its registered office at GAIL Bhawan, 16, Bhikaiji Cama Place, R.K. Puram, New Delhi- 110 066, India, (which expression shall, where the context so requires or admits of, be deemed to include its successors or assigns) hereinafter referred to as "**OWNER**" of the **First Part**

M/s, a company incorporated under the Companies Act, 2013 and having its registered office at (which expression shall, where the context so requires or admits of, be deemed to include its successors or assigns), hereinafter referred to as "**ENTITY**" of the **Second Part**

Parties of the First and Second Part are individually referred to as a "**Party**" and collectively referred to as the "**Parties**"

RECITALS:

- A. **WHEREAS**, OWNER is engaged in the business of transmission/processing of gas and owns & operates natural gas pipelines/processing plants. Further, OWNER may build new transmission facilities or buy capacity from any other OWNER for the purpose of providing Transmission Services.
- B. **WHEREAS**, ENTITY has received authorization from PNGRB for development of City Gas Distribution Network in Geographical Area of _____ in the District of _____
- C. **WHEREAS**, the ENTITY has requested OWNER to create necessary facilities at the Hooking-up Point for measurement and pressure regulation of Gas to be transported/delivered from _____ (*Name of OWNER Pipeline*) Pipeline to ENTITY's City Gas Distribution (CGD) Network through Hooking-Up Point.

- D. **WHEREAS**, ENTITY owns a Sub-transmission pipeline ("ENTITY's Pipeline") from its City Gate Station to the boundary limit of _____ (*Name of OWNER pipeline*) Pipeline at _____ in the state of _____ and desires to hook-up the ENTITY's Pipeline with _____ (*Name of OWNER Pipeline*) Pipeline for transportation/delivery of Gas through the Hooking-Up Point to its CGD Network in the Authorized Geographic Area of _____ for the purpose of City Gas Distribution.
- E. **WHEREAS**, ENTITY and the OWNER have executed a GSA and/or GTA dated _____ for supply and/or transportation of Natural Gas from _____ (*Name of OWNER Pipeline*) pipeline to the ENTITY's Pipeline
- F. **WHEREAS**, the Parties hereto set forth this agreement regarding the design, construction, installation, operation, maintenance, ownership and cost of Hooking-Up Facilities to connect the _____ (*Name of OWNER Pipeline*) pipeline to ENTITY's Pipeline at the Hooking-up Point.

THE PARTIES HEREBY AGREE AS FOLLOWS:

CLAUSE 1- DEFINITIONS AND INTERPRETATION

1.1 Definitions:

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

- a) **"Actual Expenditure"** shall mean any expenditure of direct, indirect, fixed or variable nature incurred to complete and commission the Hooking-Up facility but not limited to the design, procurement, installation, construction, commissioning, supervision etc., of the Hooking-Up facility. The Hooking-Up Facilities will typically comprise of metering facility, gas monitoring equipment, pressure regulators, filters, telecom, telemetry, power source, piping work / pipeline between Tap-off Point and Hooking-Up Facility inter-alia any such other equipment, facilities necessary to hook up with the CGD Entity's Pipeline/ Facilities at the Exit Point
- b) **"Affiliate"** means an associated person in relation to the OWNER / ENTITY or the OWNER / ENTITY in relation to an associated person-
- (i) Who participates directly or indirectly or through one or more intermediaries in the management or control or capital of the OWNER/ ENTITY or an associated person, as the case may be;
- (ii) Who holds, directly or indirectly, shares carrying not less than 26% of the voting power in the OWNER/ ENTITY or associated person, as the case may be;

- (iii) Who appoints more than half of the board of directors or members of the governing board, or one or more executive directors or executive members of the governing board of the OWNER/ ENTITY or the associated person, as the case may be; or
 - (iv) Who guarantees not less than 10% of the total borrowings of the OWNER/ ENTITY or the associated person, as the case may be
- c) **“Authorized Area”** means the specified Geographical Area for a city or local natural gas distribution network (hereinafter referred to as CGD network) authorized under PNGRB regulations for laying, building, operating or expanding the CGD network which may comprise of the following categories, either individually or in any combination thereof, depending upon the criteria of economic viability and contiguity as stated in Schedule A, namely:-
 - (i) Geographic Area, in its entirety or in part thereof, within a municipal corporation or municipality, any other urban area notified by the Central or the State Government, village, block, tehsil, sub-division or district or any combination thereof; and
 - (ii) Any other area contiguous to the Geographical Area mentioned in sub-clause (i)
- d) **“Battery Limit”** means the point where Gas will be delivered by OWNER to the ENTITY, which point shall be the Custody Transfer Flange.
- e) **“British Thermal Unit”** and its abbreviation “Btu” means 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 pound per square inch (14.696 psi).
- f) **“City Gate Station”** means the point where custody transfer of Natural Gas from natural gas pipeline to the city or local Natural Gas distribution network takes place.
- g) **“City or Local Natural Gas Distribution Network”** means an interconnected network of gas pipelines and the associated equipment used for transporting Natural Gas from a bulk supply high pressure transmission main to the medium pressure distribution grid and subsequently to the service pipes supplying Natural Gas to domestic, industrial or commercial premises and CNG stations situated in a specified Geographical Area.
- h) **“Commissioning Date”** has the meaning provided to such term in Clause 5.1.
- i) **“Contracted Capacity”** shall have the meaning as defined in the Access Code for Common Carrier or Contract Carrier Natural Gas Pipelines Regulations, 2008
- j) **“Delivery Point”** shall have the meaning as defined in the “Operating Code”, a supplementary agreement to the GTA and/or as per provision in the GSA.

- k) **“Emergency”** shall have the meaning as defined in the Petroleum and Natural Gas Regulatory Board (Codes of Practices for Emergency Response and Disaster Management Plan (ERDMP)) Regulations, 2010
- l) **“Entity Facilities”** shall mean the ENTITY facilities downstream of Exit Point
- m) **“Exit Point”** shall have the meaning as defined in the Access Code for Common Carrier or Contract Carrier Natural Gas Pipelines Regulations, 2008
- n) **“Event of Default”** shall mean an ENTITY Event of Default and/or OWNER Event of Default as defined in the GSA and/or GTA as the context may require.
- o) **“Financial Year”** means the period starting from 06:00 hours on 1st of April of each calendar year and ending by 05:59 hours of 1st of April of the succeeding calendar year.
- p) **“Force Majeure”** shall have the meaning given to that expression in the GSA and/or GTA and shall be governed by the provision of the GSA and/or GTA.
- q) **“Government Instrumentality”** means the Government of India, Petroleum & Natural Gas Regulatory Board (“Board”), the Government of any other 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 other state in India, or of any political subdivision, ministry, department, agency, corporation, commissioner any regional, local or municipal authority or governmental body thereof, and shall include, without limitation, any other governmental or statutory body or regulatory body having jurisdiction over the ENTITY’s Facilities or OWNER’s Facilities, as the case may be, or over the performance of any part of work or the works or any obligation of the of either Part under this Agreement.
- r) **“GSA”** shall mean the Gas Sales Agreement between OWNER and the ENTITY and any amendments thereto.
- s) **“GTA”** shall mean the Gas Transmission Agreement between OWNER and the ENTITY and any amendments thereto.
- t) **“Hooking-Up Charges”** shall mean the actual charges for providing ‘Hooking-Up Facilities at the Exit Point’ payable by the ENTITY to OWNER plus additional 18% of such actual charges to cover overheads, interest and profits, as per sub regulation 11(6) (a) of the PNGRB (Authorizing Entities to Lay, Build, Operate or Expand City or Local Natural Gas Distribution Networks) Regulations. Applicable Taxes shall be paid by the ENTITY as per the prevailing tax rates. These charges will be taken upfront/advance from the ENTITY based on the Preliminary Cost Estimate, which on completion of the hooking-up facility will be adjusted with Actual Expenditure. Further, additional “Hooking Up Charges” on actuals for any

subsequent alteration/expansion in 'Hooking-Up Facilities at the Exit Point' shall also be payable by the ENTITY to OWNER, including applicable taxes as per the prevailing tax rates.

- u) **"Hooking-Up Facilities"** shall mean the Facilities at the Exit Point to be designed, installed, tested, calibrated and operated by the OWNER which shall comprise multi stream metering facility (1 Working + 1 Standby) having Q-max flow upto 13000 SCMH or as the case may be, gas monitoring equipment, pressure regulators, filters, telecom, telemetry, power source, piping work/ pipeline between Tap-off Point and Hooking-Up Point and such other equipment necessary to hook-up with the ENTITY's Facilities at the Hooking-up Point.
- v) **"Hooking-Up Point"** has the meaning provided to such term in Clause 4.1
- w) **"Incident"** shall have the meaning as defined in the Petroleum and Natural Gas Regulatory Board (Codes of Practices for Emergency Response and Disaster Management Plan (ERDMP)) Regulations, 2010
- x) **"Interest"** shall mean a charge for late payment on the amount remaining unpaid applicable from the Due Date 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 one year MCLR Rate plus six decimal two five percent **(6.25%)** accruing daily basis and calculated on Simple Interest Basis.
- y) **"MMBtu"** means one million Btu
- z) **"MMSCM"** means one million SCM
- aa) **"Natural Gas"** means gas obtained from bore-holes and consisting primarily of hydrocarbons and includes-
 - i) Gas in liquid state, namely, liquefied natural gas and re-gasified liquefied Natural Gas,
 - ii) Compressed Natural Gas,
 - iii) Gas imported through transnational pipe lines, including CNG or liquefied Natural Gas,
 - iv) Gas recovered from gas hydrates as Natural Gas,
 - v) Methane obtained from coal seams, namely, coal bed methane, but does not include helium occurring in association with such hydrocarbons;

Explanation: For the purposes of this clause, the expressions "high pressure" and "medium pressure" shall mean such pressure as the Central Government may, by notification, specify to be high pressure or, as the case may be, medium pressure.

- bb) **“Operating Charges”** has the meaning provided to such term in Clause 6.2
- cc) **“Operating Pressure”** shall have the meaning as defined in the Access Code for Common Carrier or Contract Carrier Natural Gas Pipelines Regulations, 2008.
- dd) **“Preliminary Cost Estimate”** shall mean cost estimate prepared at the design stage constituting of direct, indirect, fixed or variable nature cost to be incurred to complete and commission the Hooking-Up Facility but not limited to the design, procurement, installation, construction, commissioning, supervision etc., of the Hooking-Up Facility including piping work/ pipeline between Tap-off point and “Hooking-up Facility”, if the same is laid by OWNER.
- ee) **“Standard Cubic Meter”** and its abbreviation “SCM” means 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).
- ff) **“Soil Investigation Report”** shall mean the investigation report comprising of topography survey, geo technical survey, required soil data and parameters of the proposed land required to design the foundation and structures for creation of Hooking-Up Facility.
- gg) **“Sub-Transmission Pipeline”** shall have the meaning as defined in the Technical Standards and Specifications including Safety Standards for City or Local Natural Gas Distribution Networks Regulations, 2008.
- hh) **“Termination of this Agreement”** has the meaning provided in the GSA and/or GTA and shall be governed as per the provision in the GSA and/or GTA.
- ii) **“Upfront Payment”** has the meaning provided to such term in Clause 6.1
- jj) **“Working Day”** shall mean any Day in a Week other than a Sunday or a day declared to be public holiday under the provisions of the Negotiable Instruments Act, 1881 by the Government of India.

CLAUSE 2- OBLIGATIONS OF PARTIES

2.1 ENTITY’s Obligations:

- i. To facilitate the OWNER to construct and install the Hooking-up Facility for the ENTITY, the ENTITY at its own cost shall provide developed land of 25mx 30m size or more as per design requirement free from all encumbrances to the OWNER adjacent to the OWNER’s Tap off location at<Name of OWNERS Tap-off location> or preferably within a radius of 500 meters. Further, to protect the Hooking Up facilities, proper industrial type boundary masonry wall conforming to the PNGRB T4S Regulations shall be erected by the ENTITY at its own cost. Upon execution of this agreement, the parties shall sign a side letter once the ENTITY submits all requisite documents related to the

actual land for construction and installation of the Hooking-up Facility by the OWNER for the ENTITY. Copy of the Soil Investigation Report along with proposed plot plan shall be submitted by the ENTITY to the OWNER to enable the OWNER design the Hooking-Up Facility.

- ii. ENTITY shall construct, install, test, calibrate, commission, own and operate the ENTITY's Facilities downstream of the Hooking-Up Point, in accordance with the requirement of applicable Act, PNGRB Regulations, OISD Standards and other applicable codes and standards. ENTITY shall be solely responsible for all costs associated with the maintenance and repair of the ENTITY's Facilities downstream of the Hooking-up Point.
- iii. ENTITY shall be responsible for acquiring all regulatory and statutory permits including PESO license in its name that are necessary for the construction, commissioning, operation and maintenance of the ENTITY's Facilities downstream of the Hooking-Up Point.
- iv. ENTITY shall ensure best safety practices for operation and maintenance of ENTITY's Pipeline adhering to the requirement of applicable act, regulations, codes & standards.
- v. ENTITY shall extend all the cooperation to the OWNER required for commissioning and operating the Hooking-up Facilities.
- vi. Any emergency/event in ENTITY's Pipeline that may affect the supply of Gas through the Hooking-Up Point shall be immediately informed to OWNER by the ENTITY.
- vii. ENTITY shall provide at least fifteen (15) days prior notice in writing to the OWNER in case of any maintenance job required to be undertaken in respect of the ENTITY's Facilities downstream of the Hooking-Up Facilities that may affect the supply of Gas through the Hooking-Up Point.
- viii. The ENTITY under this Agreement shall perform its obligations while ensuring best safety practices and as a reasonable and prudent operator.

2.2 OWNER's Obligations:

- i. Upon receipt of the Upfront /Advance Payment for Hooking-Up Charges from ENTITY by OWNER in accordance with Clause 6.1 and the handing over the possession of developed land by ENTITY to OWNER in accordance with Clause 2.1 of this Agreement, whichever is later, the OWNER shall commence site activities for development of Hooking-Up Facilities. The Hooking-Up Facility shall conform to the requirement of PNGRB T4S Regulations and OISD Standards notified from time to time.
- ii. OWNER shall own and operate the Hooking-up Facilities
- iii. OWNER shall be responsible for acquiring all regulatory and statutory permits that are necessary for the construction, commissioning, operation, and maintenance of the Hooking-up Facilities.

- iv. OWNER shall perform all daily operational activities in connection with the Hooking-up Facilities, including, but not limited to, operation, testing, calibration in accordance with the industry practice and maintenance necessary for the utilization of the Hooking-Up Facilities.
- v. Any emergency/event in _____ (*Name of OWNER Pipeline*) Pipeline that may affect the supply of Gas through the Hooking-up Point shall be immediately informed to ENTITY by the OWNER.
- vi. OWNER shall provide at least fifteen (15) days prior notice to the ENTITY in case of any maintenance job is required to be undertaken in respect of the Hooking-up Facilities that may affect the supply of Gas through the Hooking-up Point.
- vii. OWNER shall extend all cooperation to ENTITY for facilitating the construction, commissioning and operation & maintenance of ENTITY's Facilities downstream of the Hooking-Up Point inside the OWNER's premises.
- viii. OWNER shall develop the metering facilities (Inlet 600#, Outlet 300#) for a flow with Q-Max of 13,000 SCMH @ 20kg/cm²g or lower flow as per the initial requirement of ENTITY.

However, if the ENTITY requires the metering facility for a flow of more or less than the above capacity at the initial stage, then the OWNER shall install the same considering the requirement of ENTITY subject to Upfront /Advance Payment of corresponding Hooking-Up Charges by the ENTITY.

- ix. The OWNER shall augment the metering facility beyond the capacity indicated at clause 3.1 on request of the ENTITY and at the cost of the ENTITY based on the increased volume plan of the ENTITY. For this, the ENTITY to inform the OWNER well in advance.
- x. The OWNER under this Agreement shall perform its obligations while ensuring best safety practices and as a reasonable and prudent operator.

CLAUSE 3- VOLUME AND OPERATING PARAMETERS AND MEASUREMENT

3.1 Volume of Gas for flow through the Hooking-up Point.

Subject to Clauses 2.2 and 4.1, it is agreed between the Parties that the Hooking-Up Facilities shall be designed to handle a maximum volume of _____ SCM/MMSCM of Natural Gas per day.

Notwithstanding the above, it is agreed by the Parties that supply/transmission of Natural Gas on a daily basis to the ENTITY at the Exit Point shall be subject to and governed by separate gas Sale/Transmission contract(s) to be entered into between the ENTITY and the OWNER and shall also be subject to operational arrangements/residual pipeline capacity available with the OWNER.

3.2 Pressure and Temperature.

Parties shall ensure that the following pressure and temperature are maintained at the Hooking-up Point”

- (i) All Gas delivered by OWNER at the Hooking-up Point shall be at pressure of ____ to ____ and the pressure shall be subject to available operating line pressure at the exit point
- (ii) Temperature shall be up to a maximum of _____ Degree C.

3.3 Measurement of Gas:

OWNER shall use standard methods generally used in the Gas industry to determine the quantity/quality of the Gas and shall be governed by the “**Operating Code**”, a supplementary agreement to the GTA and/or as per provision in the GSA.

3.4 Joint Tickets:

The measured quantity shall be communicated by electronic mail by OWNER every fortnight to the ENTITY and Parties shall sign the Joint tickets fortnightly. Joint Ticket shall be prepared as per GSA/GTA.

CLAUSE 4- INSTALLATION OF THE FACILITIES

4.1 OWNER’s Responsibilities:

OWNER shall design, install, test, calibrate and operate the Hooking-Up Facility subject to Clause 5.1, to transport a maximum of _____ MMSCM of Gas per day from the _____ (*Name of OWNER Pipeline*) Pipeline into the ENTITY’s Pipeline.

OWNER shall connect the ENTITY’s Facilities at the custody transfer flange identified as “Hooking-up Point” at the battery limit between OWNER and the ENTITY Facilities.

4.2 ENTITY’s Responsibilities:

ENTITY shall at its sole risk & cost install the facilities downstream of the Hooking-up Facilities.

CLAUSE 5-COMMISSIONING DATE AND TERM

5.1 Commissioning Date:

“Commissioning Date” shall mean the date to be notified by the OWNER at least seven (7) days in advance after the mechanical completion of the Hooking-Up Facility.

The date for commencement of site activities for installation of Hooking-Up Facility shall be reckoned from the following date, whichever is later:

- (i) The date on which the ENTITY shall credit the Upfront/Advance Payment for Hooking-Up Charges in full including applicable taxes / duties to the OWNER’s Bank Account and;

- (ii) The date on which the ENTITY, at its own cost, shall hand over the developed/graded land of size 25m x 30m or more as per design requirement with proper industrial type boundary masonry wall and conforming to the PNGRB Technical Standards Regulations, free from all encumbrances, to the OWNER and;
- (iii) The date of receipt of requisite permissions / RoU acquisition by the OWNER / ENTITY, as may be necessary, for laying of the pipeline between the proposed Tap-Off Point on the OWNER's pipeline and the proposed Hooking-Up Facility of the ENTITY.

5.2 Term:

The term of this Agreement shall be for an initial period of **Ten (10) years** commencing from the Execution Date with a mid-term review after completion of **Five (05) year** period.

Thereafter, this Agreement may be extended further under the mutual agreement of the Parties.

CLAUSE 6 –HOOKING-UP CHARGES, OPERATING CHARGES & ANY OTHER CHARGES

6.1 HOOKING-UP CHARGES:

- i) It is agreed between the Parties that an estimated amount of Rs. ____ (as interest free Upfront / Advance Payment for Hooking-Up Charges) is payable by the ENTITY to the OWNER for providing Hooking-up Facilities in accordance with Clause 4.1, at the Hooking-Up Point for Hooking-Up _____ (*Name of OWNER Pipeline*) Pipeline with ENTITY's Pipeline. Applicable Taxes on the Hooking-Up Charges shall be payable as per the prevailing tax rates with Up-front / Advance payment.
- ii) The Upfront / Advance Payment for Hooking-Up Charges plus the applicable taxes, shall be payable by the ENTITY to the OWNER upfront as per the Demand Letter. In case at any point in time if Upfront / Advance Payment is considered insufficient then OWNER may revise the estimate upwards and call for differential payment upfront from the ENTITY, to be paid by ENTITY within **four (4) working days** of receipt of subsequent Demand Letter from the OWNER.
- iii) OWNER shall deliver Demand Letter to the ENTITY as soon as possible on execution of this Agreement towards the Upfront / Advance Payment for Hooking-Up Charges together with the applicable taxes and ENTITY shall make payment to OWNER forthwith within **four (4) working days** of receipt of such Demand. On receipt of the payment, OWNER shall issue acknowledgement to the ENTITY within **four (4) working days**.
- iv) The **Upfront/ Advance Payment** for "**Hooking-up Charges**" payable by the ENTITY shall be as per "**Preliminary Cost Estimate**" **plus additional 18% of** "**Preliminary Cost**

Estimate”, to cover overhead, interest and profits. Applicable Taxes on the Hooking-Up Charges shall be payable as per the prevailing tax rates.

However, the aforesaid amount is subject to adjustment w.r.t. Actual Expenditure incurred by the OWNER plus additional 18 % of such expenditure vis-à-vis advance payment made by the ENTITY for providing Hooking-Up facility to the ENTITY.

- a. Invoice for hooking-up charges shall be raised by OWNER within 30 days of commissioning of the hooking-up facility based on initial capitalization of Hooking-up facility.
 - b. The refund to ENTITY to be made by OWNER after deducting invoice amount plus retention amount (envisaged additional expenditure until project closure by OWNER) plus overhead plus taxes within 03 months of commissioning of Hooking-up facility from the upfront amount received from ENTITY.
 - c. Debit/ credit note shall be raised after subsequent capitalization of Hooking-up facility for the difference between subsequent capitalization amount less the initial capitalization amount, which will be endeavoured by OWNER within 1 year of commissioning of Hooking-up facility. The same shall be paid or adjusted in subsequent invoices.
- v) It is agreed between the Parties that in the event of early termination of this Agreement for any reason whatsoever prior to the expiry of the initial term as provided above in Clause 5.2, ENTITY shall not have any claim on the Hooking-Up Facilities and Hooking-Up Charges paid to the OWNER. Operating Charges shall not be applicable after the termination of this Agreement.
- vi) Based on ENTITY request, Hooking Up Charges for any future expenditure in respect of alteration, expansion, addition, replacement and modification of equipment in the Hooking-Up Facilities at existing Exit Point shall be informed by the OWNER to the ENTITY and such “**Hooking-up Charges**” shall be paid by the ENTITY in advance which shall also be subject to adjustment as per actuals.

Except technical urgency, which is to be attended immediately, the need for replacement of the metering facilities shall be reviewed after every five years and shall be subject to mutual agreement. However, if such requirement arises before the scheduled review, the ENTITY has to inform the OWNER well in advance.

6.2 OPERATING CHARGES:

- i) The ENTITY shall pay to the OWNER an Operating Charges @2.5% of cumulative Hooking-Up Charges (including subsequent Hooking-Up Charges, if any) with 5% escalation on annual basis. The Operating Charges shall be collected in advance with applicable taxes.
- ii) The escalation of 5% per annum shall be reckoned from the beginning of the next Financial Year on yearly rest basis, immediately following the Financial Year in which commissioning of the Hooking-Up Facilities took place.

- iii) The OWNER shall raise the ZO shall raise two Tax Invoices w.r.t. OPEX Charges for the first year of operation viz.
 - a) OPEX invoice immediately after Invoice for hooking-up charges is raised as per clause 6.1 (iv)(a);
 - b) Future OPEX invoice after subsequent capitalization is done as per clause 6.1 (iv)(c).
 - iv) From the second year of operation, OPEX shall be charged in advance on annual basis within fifteen (15) days from commencement of subsequent financial year based on hooking-up charges. The escalation of 5% per annum shall be reckoned from the beginning of the next Financial Year on yearly basis. The ENTITY shall pay the invoice amount within four (4) working days of receipt of the invoice from the OWNER. Any delay in making such payment shall attract "Interest", which shall be payable by the ENTITY.
 - v) In the event of non-payment of OPEX charges by the CGD entity, recovery of the same will be done as per the provisions available for delayed payments under relevant GSA/ GTA executed between OWNER and ENTITY for supply / transmission of gas in the GA (necessary incorporation of Opex charges will be made by the ENTITY in the LC document).
- 6.3 OWNER shall install the metering facilities as per the requirement of ENTITY. The measurement aspects and related issues shall be governed by relevant clauses under GSA/ GTA as applicable.
- 6.4 Any tax, levy or cess levied by any Government Instrumentality on any activity undertaken pursuant to the terms of this Agreement shall be paid on actual basis by ENTITY and ENTITY shall indemnify and hold OWNER harmless in respect thereof.

CLAUSE 7- MISCELLANEOUS

- 7.1 Parties agree and acknowledge that nothing contained in this Agreement is intended to create any obligation upon the OWNER to transport Gas to the ENTITY. Any transportation of Gas through the Hooking-Up Facilities will be performed under the terms and conditions of one or more separate written agreements between the Parties.
- 7.2 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 this Agreement for any reason whatsoever; provided, however, such limitation shall not apply to the indemnity obligations owed by a party to another party with respect to indemnification for claims made by Third Parties.
- 7.3 OWNER shall indemnify, defend and hold harmless ENTITY from and against any and all losses on account of any claims brought by any third party or by any Government /Statutory / Regulatory instrumentality or by any statutory order, caused by or resulting from (or attributable to) the installation existence, ownership, possession, operation or maintenance including safety and security aspects of Hooking-Up Facilities or arising out of the wilful misconduct of OWNER in the exercise of its rights or the performance of its

obligations under this Agreement, except to the extent contributed to by the wilful misconduct or material breach of this Agreement by ENTITY.

- 7.4 The OWNER shall not be responsible for any claims whatsoever downstream of the Hooking-Up Facility. In case of any claim, the ENTITY shall indemnify, defend and hold harmless the OWNER from and against any and all losses on account of any claims brought by any third party or by any Government /Statutory / Regulatory instrumentality or by any statutory order, caused by or resulting from (or attributable to) the installation, existence, ownership, possession, operation or maintenance including safety and security aspects of ENTITY's Facilities downstream of the Hooking-up Facilities or arising out of the wilful misconduct of ENTITY in the exercise of its rights or the performance of its obligations under this Agreement.
- 7.5 "Emergency" shall be dealt by the PARTIES as outlined in their respective ERDMP in accordance with the Petroleum and Natural Gas Regulatory Board (Codes of Practices for Emergency Response and Disaster Management Plan (ERDMP)) Regulations, 2010. In case of any Emergency or such situation which may lead to disruption in gas supplies, the ENTITY shall neither hold the OWNER responsible nor shall the ENTITY be liable for any claims whatsoever from the OWNER.
- 7.6 ENTITY shall take prior consent of OWNER for any modification job in respect of the ENTITY's Facilities and equipment up to ENTITY's mother station, downstream of the Hooking-Up Facilities.
- 7.7 The OWNER shall not be liable in any manner for any disruption in gas supply upstream and/or downstream of the Hooking-Up Facility due to ENTITY's inability to source gas at the Delivery Point.
- 7.8 Hooking-Up Facility at the Exit Point shall be provided by the OWNER from existing nearby IP/SV stations. SV station shall be considered only if IP stations are not available.
- 7.9 The OWNER reserves the right of installing, operating, maintaining and modifying any facilities at the Hooking-Up Facility for other entities as & when required.
- 7.10 ENTITY Event of Default and/or OWNER Event of Default as defined in the GSA and/or GTA as the context may require shall be governed by the provision under clause _____ of the GSA and/or GTA.
- 7.11 It is agreed between the Parties that in the event of early Termination of this Agreement for any reason whatsoever prior to the expiry of the initial term as provided above, the Termination of this Agreement shall be in concurrence with the other agreements like GTA and/or GSA signed between the parties.
- 7.12 Any Force Majeure issues shall be governed by the provision under clause _____ of the GSA and/or GTA.
- 7.13 All other terms and conditions for supply and/or transportation of gas by the OWNER to the ENTITY shall be governed by the GSA and/or GTA and its associated CT agreement, Operating Codes.

7.14 Severability

If any provision of this Agreement (or part of any provision) is found by any court or other authority of competent jurisdiction to be invalid, illegal or unenforceable, that provision or part-provision shall, to the extent required, be deemed not to form part of this Agreement, and the validity and enforceability of the other provisions shall remain in force and shall not be affected.

7.15 Amendments

Any amendment to this Agreement shall be expressly agreed in writing and shall not be valid unless duly signed and executed by the Parties through side letter(s).

- 7.16 All notices, bills, statements, requests or notifications, to be given by one Party to the other under this Agreement, 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:

<u>OWNER</u>	<u>ENTITY</u>
.....	
.....	
.....	
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7.17 Governing Law and Jurisdiction

The Contract shall be governed by and construed in accordance with the laws in force in India. The Parties hereby submit to the exclusive jurisdiction of the Courts/ Tribunals situated at New Delhi for adjudication of disputes, injunctive reliefs, actions and proceedings, if any, arising out of this Agreement.

7.18 Disputes between CPSE's / Government Departments / Organisations

Subject to conciliation as provided above, in the event of any dispute or difference relating to the interpretation and application of the provisions of commercial contract(s) between Central Public Sector Enterprises (CPSEs/ Port Trusts inter se and also between CPSEs and Government Departments /Organizations (excluding disputes concerning Railways, Income Tax, Customs & Excise Departments), such dispute or difference shall be taken up by either party for resolution through AMRCD as mentioned in DPE OM No. 4(1)/2013-DPE(GM)/FTS-1835 dated 22-05-2018 and amendments thereof.

Any party aggrieved with the decision of the Committee at the First level (tier) may prefer an appeal before the Cabinet Secretary at the Second level (tier) within 15 days from the date of receipt of decision of the Committee at First level, through its administrative Ministry/Department, whose decision will be final and binding on all concerned.

- 7.19 The Hooking-Up Facility shall be governed by the relevant notified regulations and clarifications issued by PNGRB from time to time.

CLAUSE 8- CONFIDENTIALITY

The parties agree to treat the Agreement and any information provided by one Party or its Affiliates to the other Party which is specifically marked as confidential or provide on a confidential basis "Confidential Information" as strictly confidential and agree not to disclose any Confidential Information received from each other in connection herewith to any third party (other than to Affiliates, professional advisors or shareholders (present or potential) of the Parties who shall be subject to any restrictions on confidentiality they may have signed with the relevant Party) without the prior consent of the other Party, except for disclosure by a Party to a governmental authority or regulatory authority to the extent necessary to comply with any proper governmental or legal requirement. The Party making any such disclosure to a governmental authority or a regulatory authority shall give reasonable notice thereof to the other Party, and shall use reasonable endeavors to ensure to the extent permissible by law that such third party maintains the confidentiality of the confidential information.

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

WITNESS

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Name:.....

Company:.....

Date:.....

FOR AND ON BEHALF OF OWNER

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Name:.....

Company: GAIL (India) Limited

Date:.....

WITNESS

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Name:.....

Company:.....

Date:.....

FOR AND ON BEHALF OF ENTITY

.....

Name:.....

Company:

Date:.....