

**In the Name of God**

**Natural Gas Sales & Purchase AGREEMENT**

**Between**

**“NATIONAL IRANIAN OIL COMPANY”**

**And**

**“...”**

Date [                      ]

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**In the Name of Allah**

## **Gas Sales and Purchase Agreement**

This Natural Gas Sales & Purchase Agreement (hereinafter referred to as the “Agreement”) is made and entered into in Tehran, the Islamic Republic of Iran (hereinafter referred to as "Iran"), on the [\*] day of [\*] 2017, (corresponding to [\*]) by and between::

(1) **NATIONAL IRANIAN OIL COMPANY**, a company incorporated and existing under the laws of the Islamic Republic of Iran and having its registration number [\_\_\_\_\_] and its principal office at Taleghani Ave, Tehran, Islamic Republic of Iran (hereinafter referred to as “**Seller**”); and

(2) .... a company incorporated and existing under the laws of [ ] having its registration number [\_\_\_\_\_] and its registered office at [ ] (hereinafter referred to as “**Buyer**”);

Where Seller and Buyer are hereinafter referred to individually as “**Party**” and collectively as the “**Parties**”.

### **RECITALS**

WHEREAS:

- (A) Seller wishes to promote and encourage LNG production in the Islamic Republic of Iran (“Iran”) and is interested in selling Natural Gas to the potential and capable buyers for the purpose of LNG production;
- (B) Buyer declares that it has financial, technical and management capabilities and intention to buy Natural Gas from the Seller in order to produce and export LNG.;
- (C) Parties wish to set forth in this Agreement the relevant terms and conditions of selling and delivering Natural Gas by Seller on one side, as well as purchasing and taking delivery of Natural Gas by Buyer for LNG production on the other side;

NOW, THEREFORE, in consideration of the undertakings and covenants herein contained, the Parties hereby agree as follows:

## 1 DEFINITIONS AND INTERPRETATION

### 1.1 Definitions

The words and expressions below shall, unless the context otherwise requires, have the meanings respectively assigned to them:

- 1.1.1 **Actual Shortfall Quantity:** Shall have the meaning given in Clause 12.2.1.
- 1.1.2 **Adjusted ACQ (or AACQ):** Shall have the meaning given in Clause 9.2.
- 1.1.3 **Affiliate:** Shall mean any parent company or corporation of any of the Parties or any of the companies constituting any of the Parties which directly or indirectly owns more than fifty (50) per cent of the shares carrying voting rights of such Party, and any company or corporation other than such Party of which such parent company or corporation or such Party directly or indirectly owns more than fifty (50) per cent of the shares carrying voting rights and any company or corporation in respect of which a Party directly or indirectly owns more than fifty (50) per cent of the shares carrying voting rights. This definition shall also apply to the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Party or company or corporation, whether through the ownership of voting securities, by contract or otherwise.
- 1.1.4 **Agreement:** Shall mean this Agreement.
- 1.1.5 **Annual Contract Quantity (or ACQ):** Shall have the meaning given in Clause 9.1.2.
- 1.1.6 **Annual Reconciliation Statement:** Shall have the meaning given in Clause 14.4.1.
- 1.1.7 **Authorisation:** shall mean any consent, permission, approval, authorisation, order, decree, permit, waiver, exemption, privilege, approval, licence, right of way, certification, registration, or filing, required from any Governmental Authority under any Law and Authorised shall have a corresponding meaning.
- 1.1.8 **Business Day:** Shall mean a day on which banks are open in [ ] and [ ] for the transaction of usual banking business.
- 1.1.9 **Buyer's Actual Shortfall:** shall have the meaning given in Clause 12.1.6.
- 1.1.10 **Buyer's Facilities:** Shall mean the facilities actually used by the Buyer to buy quantities of Natural Gas at the Delivery Point and to liquefy such gas and deliver such gas to the Buyer's Customers.
- 1.1.11 **Buyer's Force Majeure:** Shall mean an event of Force Majeure where the Buyer is the affected Party.
- 1.1.12 **Buyer's Large Shortfall Quantity:** Shall have the meaning given in Clause 12.3.3.

- 1.1.13 **“Buyer party”**: For purposes of Clause 16.4, shall have the meaning given in that clause.
- 1.1.14 **Buyer’s TOP Shortfall**: Shall have the meaning given in Clause 9.5.2.
- 1.1.15 **Change in Law**: Shall mean any change in, amendment to, or repeal of an existing law, or an enactment or making of any new law, or any change in the interpretation or application thereof.
- 1.1.16 **Claim**: Shall mean any loss, damage, cost, claim, liability, lien, debt, expense (including legal expenses) or cause of action of whatever nature.
- 1.1.17 **Commencement Date**: Shall be determined in accordance with Clause 5.6.
- 1.1.18 **Commissioning Gas**: Shall have the meaning given in Clause 5.4.2.
- 1.1.19 **Commissioning Period**: Shall be determined in accordance with Clause 5.4.
- 1.1.20 **Conditions Precedent**: Shall have the meaning given in Clause 3.1.
- 1.1.21 **Confidential Information**: Shall have the meaning given in Clause 19.
- 1.1.22 **Contract Price**: Shall have the meaning given in Clause 13.
- 1.1.23 **Contract Year**: shall mean a year starting on the 1 January at 00:00 hours and ending on the 31 December at 24:00 hours, provided that:
- 1.1.24 (a) the first Contract Year shall commence on the Commencement Date and end on the 31 December of that year at 24:00 hours; and
- 1.1.25 (b) The last Contract Year shall commence on 1st January at 00:00 hours and shall end on the Termination Date.
- 1.1.26 **Coordination Procedures**: Shall mean the procedures to be developed pursuant to Clause 7 for the coordination of the construction, operation and maintenance (including commissioning) of the Seller's Facilities and the Buyer's Facilities and other technical and operational interface matters.
- 1.1.27 **Daily Contract Quantity (or DCQ)**: Shall have the meaning given in Clause 9.3.
- 1.1.28 **Day**: Shall mean a period of twenty-four (24) consecutive hours beginning at 00:00 hours (in the local time of the Seller's country) and "Daily" shall be construed accordingly.
- 1.1.29 **Delivery Month**: Shall mean each period of one Month during the calendar year.
- 1.1.30 **Delivery Point**: Shall have the meaning as given in Clause 8.1.
- 1.1.31 **Effective Date**: Shall have the meaning given in Clause 3.4.
- 1.1.32 **Excess Gas Quantity**: Shall have the meaning given in Clause 9.7.
- 1.1.33 **Execution Date**: Shall mean the date of this Agreement.
- 1.1.34 **Expert**: Shall mean the Person appointed as such in accordance with the

procedure in Clause 22.

- 1.1.35 **Facilities:** Shall mean the Buyer's Facilities and/or the Seller's Facilities (as applicable).
- 1.1.36 **First Window Period:** Shall have the meaning given in Clause 5.3.2.2.
- 1.1.37 **Force Majeure:** Shall have the meaning given in Clause 15.1.
- 1.1.38 **Governmental Authority:** Shall mean, in respect of each Party's country, the government or any ministry, department or political subdivision thereof, and any Person exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government (including any independent regulator) or any other governmental entity, instrumentality, agency, authority, corporation, committee or commission under the direct or indirect control of the government.
- 1.1.39 **Gross Heating Value:** means the number of BTUs produced by the complete combustion of one (1) standard cubic foot of gas at Atmospheric Pressure and sixty degrees Fahrenheit (60 OF) with excess air at the same temperature and pressure as the Natural Gas when the products of combustion are cooled to sixty degrees Fahrenheit (60 OF) and when the water formed by combustion is condensed to the liquid state and when the products contain the same total mass of water vapour as the Natural Gas and air before combustion.
- 1.1.40 **Gross Negligence:** shall mean, in relation to an act or omission of any Person, the undertaking of such act or the making of such omission by such Person in a manner which is negligent and which shows an objectively reckless disregard of the high degree of risk to Persons or property and/or the reasonably likely consequences, of undertaking such act or making such omission in such a manner, but shall not include an error of judgment or mistake made in good faith.
- 1.1.41 **indemnified party:** For purposes Clause 16.4., shall have the meaning given in that clause.
- 1.1.42 **Insolvency Event:** shall mean, in relation to any Person, in the country of its incorporation, the winding up, dissolution, administration, bankruptcy, liquidation, insolvency or receivership of such Person and/or any step taken (including the presentation of a petition or the passing of a resolution) for or with a view to any of the foregoing if such proceeding has not been dismissed at the first hearing related to such proceeding.
- 1.1.43 **Invoice Dispute Notice:** Shall have the meaning given in Clause 14.7.
- 1.1.44 **Large Shortfall Quantity:** Shall have the meaning given in Clause 12.3.
- 1.1.45 **LNG:** Shall mean Natural Gas in a liquid state, at or below its boiling point and at a pressure of approximately one (1) atmosphere.
- 1.1.46 **LOC:** Shall have the meaning given in Clause 14.12.
- 1.1.47 **Make-Up Gas:** Shall have the meaning given in Clause 9.6.3.

- 1.1.48 **Maximum Daily Contract Quantity (Max DCQ):** Shall have the meaning given in Clause 9.4.1.
- 1.1.49 **Metering and Testing Facilities:** shall mean the measuring and testing equipment, housings, devices and materials together with all related and incidental equipment and appliances including flow meters, gas chromatograph and temperature probe which are owned by the Seller required to measure and test the quantity and quality of Natural Gas and other parameters including calorific value, temperature, pressure and density in accordance with the standards, methods and procedures referred to in this Agreement.
- 1.1.50 **Minimum Daily Contract Quantity (Min DCQ):** Shall have the meaning given in Clause 9.4.2.
- 1.1.51 **Month:** shall mean a period of time beginning at 00:00 hours (Iranian time) on the first Day of a Gregorian calendar month and ending at 24:00 hours (Iranian time) on the last Day of such Month, and "Monthly" shall be construed accordingly.
- 1.1.52 **Monthly Delivery and Acceptance Report:** Shall mean a report in the form set out in Schedule [ ].
- 1.1.53 **Natural Gas:** shall mean any hydrocarbon or a mixture of hydrocarbons consisting principally of methane, other hydrocarbons and non-combustible gases, all of which are substantially in the gaseous phase at a pressure of one hundred and one decimal three, two, five (101.325) kilopascals absolute and at a temperature of fifteen (15) degrees Celsius.
- 1.1.54 **Notice:** Shall have the meaning given in Clause 24.1.
- 1.1.55 **Off-Specification Gas:** Shall have the meaning given in Clause 10.3.
- 1.1.56 **Operations Coordination Committee:** Shall have the meaning given to it in Clause 7.2.1.
- 1.1.57 **Person:** Shall mean any individual, partnership, corporation, Limited Liability Company, unlimited Liability Company, association, and joint stock company, trust, joint venture, and unincorporated organisation, Governmental Authority or any other entity.
- 1.1.58 **Properly Nominated Quantity:** Shall have the meaning referred to in Clause 9.9.
- 1.1.59 **Quarter:** Shall mean any period of three (3) Months commencing at 00:00 hours Iranian time on the 1st of January, 1st of April, 1st of July or 1st of October of each Contract Year.
- 1.1.60 **Recovery Period:** Shall have the meaning in Clause 9.6.5.
- 1.1.61 **Scheduled Maintenance Days:** Shall mean a number of Days for scheduled maintenance calculated in accordance with Clause 9.10.
- 1.1.62 **Second Window Period:** Shall have the meaning given in Clause 5.3.2.3.

- 1.1.63 **Seller's Actual Shortfall:** shall have the meaning given in Clause 12.1.5.
- 1.1.64 **Seller's Facilities:** shall mean the facilities used in relation to the delivery, transportation and measurement of Natural Gas to be sold and delivered at the Delivery Point in accordance with this Agreement, and shall include the pipeline system and related equipment upstream of the Delivery Point including those used to produce, treat, compress, transport and/or deliver Natural Gas to the Buyer under this Agreement.
- 1.1.65 **Seller's Force Majeure:** Shall mean an event of Force Majeure where the Seller is the affected party.
- 1.1.66 **Seller's Large Shortfall Quantity:** Shall have the meaning given in Clause 12.3.2.
- 1.1.67 **"Seller party":** For purposes of Clause 16.4, shall have the meaning given in that clause.
- 1.1.68 **Seller's Small Shortfall Quantity:** Shall have the meaning given in Clause 12.2.3.
- 1.1.69 **Start-Up Date:** Shall be determined in accordance with Clause 5.3.
- 1.1.70 **Take or Pay Quantity:** Shall have the meaning given in Clause 9.5.1.
- 1.1.71 **Take or Pay Obligation:** Shall have the meaning given in Clause 9.5.1.
- 1.1.72 **Take or Pay Payment Obligation:** Shall have the meaning given in Clause 9.5.2.
- 1.1.73 **Technical Dispute:** shall have the meaning given in to it Clause 21.2.4
- 1.1.74 **Termination Date:** Shall have the meaning given in to it Clause 5.1.
- 1.1.75 **Wholly Owned Affiliate:** Shall Mean, in respect of a company or legal entity, any other company or legal entity in respect of which the first-mentioned company or legal entity has, directly or indirectly, the right to exercise one hundred percent (100%) of the voting shares of such second-mentioned company or entity.
- 1.1.76 **Wilful Misconduct:** shall mean in relation to an act or omission or any Person, the undertaking of an act or the making of an omission which is an intentional and conscious disregard of any obligation owed by such Person but shall not include an error of judgment or mistake made in good faith.
- 1.1.77 **Window Period:** Shall mean any of the First Window Period or the Second Window Period (as applicable).
- 1.1.78 **Year or (yr):** Shall mean a full Gregorian Calendar Year beginning at 00:00 o'clock a.m. (Iranian time) January 1st, and ending at 00:00 o'clock a.m. (Iranian time) January 1st of the following calendar year.

## 1.2 Interpretations

In this Agreement and its recitals, unless the context otherwise requires:

- 1.2.1 Words of any gender include each other gender;



- 1.2.2 words using the singular or plural number also include the plural or singular number, respectively;
- 1.2.3 The terms "**hereof**," "**herein**," "**hereby**" "**hereto**" and similar words refer to this entire Agreement and not to any particular Clause or Schedule or any other subdivision of this Agreement;
- 1.2.4 References to "**Clause**" or "**Schedule**" are to the Clauses and Schedules respectively of this Agreement;
- 1.2.5 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 or words of like import;
- 1.2.6 references to "**this Agreement**" or any other agreement or document shall be construed as a reference to such agreement or document as amended, novated, modified or supplemented and in effect from time to time and shall include a reference to any document which amends, novates, modifies or supplements it, or is entered into, made or given pursuant to or in accordance with its terms;
- 1.2.7 a reference to any statute, law or statutory instrument shall be construed as a reference to such statute, law or statutory instrument as the same may have been, or may from time to time be, amended or re-enacted and all instruments, orders, plans, regulations, by-laws, permissions and directions at any time made there under;
- 1.2.8 A reference to a Party or to any other Person includes a reference to its successors, permitted transferees and assigns;
- 1.2.9 All periods of time shall be based on, and computed according to, the Gregorian calendar;
- 1.2.10 Any capitalised words, terms, phrases and abbreviations used specifically in any Schedule shall have the meanings set forth in such Schedule, as the case may be;
- 1.2.11 Headings of Clauses are for convenience of reference only and are not intended to define, limit or describe the scope or intent of any provisions of this Agreement;
- 1.2.12 in the event of any inconsistency between any capitalised word, term, phrase or abbreviation set forth in Clause 1.1 and any capitalised word, term, phrase or abbreviation set forth in any Schedule, the meaning set forth in such Schedule shall take precedence over the meaning set forth in Clause 1.1 unless the context of this Agreement otherwise requires;
- 1.2.13 In the event of a conflict or inconsistency between the provisions of the body of this Agreement and any Schedule, the provisions of the body of this Agreement shall prevail;
- 1.2.14 Any reference to a time of Day is to the time of Day in Iran;
- 1.2.15 References to DES shall be construed in accordance with the latest edition

of the Incoterms;

- 1.2.16 Any references to "**Euros**" in this Agreement are to the lawful currency of the European Union;
- 1.2.17 Any references to "**US\$**" or "**US Dollars**" in this Agreement are to the lawful currency of the United States of America; and
- 1.2.18 In the event of a conflict or inconsistency between a mathematical formula describing a concept or defining a term and words describing such concept or defining such term, the mathematical formula shall prevail.

## **2 PURPOSE OF AGREEMENT**

The purpose of this Agreement is to set out the terms and conditions upon which the Seller will deliver and sell Natural Gas to the Buyer at the Delivery Point, and under which the Buyer shall take delivery and pay for the Natural Gas made available by the Seller for the production of LNG.

## **3 CONDITIONS PRECEDENT**

### **3.1 Conditions Precedent**

This Agreement (other than the provisions of Clauses ...), shall not take effect, and shall have no force or effect, unless and until all of the following conditions ("**Conditions Precedent**") have been satisfied or waived by the Seller and the Buyer:

- 3.1.1 The Seller and Buyer having obtained their respective Board approvals for entering into this Agreement and performing their respective obligations hereunder;
- 3.1.2 The Seller has obtained all the necessary approvals and Authorizations from all the competent authorities required for performance of its obligations under this Agreement.
- 3.1.3 The Buyer has obtained all the necessary approvals and Authorizations from all the competent authorities inside or outside of the Islamic Republic of Iran required for performance of its obligations under this Agreement;
- 3.1.4 The Buyer has provided the Seller evidence of Buyer's creditworthiness and financial ability to fulfil its obligations under this agreement in the form of a Standby Letter of Credit and bank guarantee as stipulated in clause 14.12 and 14.13 herein;
- 3.1.5 The Buyer has obtained all necessary permits for the construction of the Facilities, and the permits for sale and export of LNG from Iran.
- 3.1.6 Notice of Satisfaction of Conditions Precedent has been issued by the Parties;
- 3.1.7 Buyer and its counterparties have signed and delivered each of the following agreements:

[ ] [Specify contracts for the acquisition of the site, if any, of Buyer's

Facilities];

[\_\_\_\_\_] [Specify contracts for the construction, if any, of Buyer's Facilities];

[\_\_\_\_\_] [Specify any financing agreements in respect of Buyer's Facilities];

### **3.2 Satisfaction of Conditions Precedent**

3.2.1 Each Party shall use all reasonable endeavours to satisfy or procure the satisfaction of its Conditions Precedent by [.....] or such other date mutually agreed by the Parties and shall keep the other Party informed as to the progress being made towards satisfaction of each of the Conditions Precedent. As soon as reasonably practicable, each Party shall notify and provide reasonable details to the other Party of such satisfaction.

### **3.3 Waiver**

The Conditions Precedent may only be waived in writing by mutual agreement of both Parties.

### **3.4 Effective Date**

The date upon which all Conditions Precedent have been satisfied or waived shall be the "**Effective Date**". The Notice of Satisfaction of Conditions Precedent shall include in the notice the Effective Date.

### **3.5 Date for Satisfaction**

3.5.1 If any Condition Precedent is not satisfied on or before [.....], or such later date mutually agreed by the Parties, in circumstances other than where it has been waived pursuant to Clause 3.3 above, this Agreement (with the exception of (Clause ...)) shall cease to have any force or effect, and both Parties may terminate this Agreement with immediate effect by notice to the other Party. In such case the Parties shall be discharged from any further obligations or liabilities under this Agreement.

## **4 REPRESENTATIONS, WARRANTIES AND COVENANTS**

### **4.1 Seller's Warranties as to Authority and Creditworthiness**

4.1.1 Seller represents and warrants to Buyer, that as of the Effective Date:

4.1.1.1 Seller is a company incorporated in Hafez Avenue, Tehran, Iran and validly exists under the Laws of Islamic republic of Iran;

4.1.1.2 Seller is duly qualified and in good standing in all jurisdictions where required for performance under this Agreement;

4.1.1.3 Seller has full power, authority, and legal right to own its assets and conduct its business as currently conducted and has taken all necessary action to sign and deliver this Agreement and perform its obligations under this Agreement;

and

4.1.1.4 This Agreement has been duly signed and delivered by Seller and forms a valid and binding obligation of Seller, enforceable against Seller in accordance with its terms.

4.1.2 Seller represents and warrants to Buyer that Seller has furnished to Buyer certified resolutions, authenticated powers-of-attorney, or other corporate instruments necessary to authorize its signing, delivery and performance of this Agreement.

#### **4.2 Buyer's Warranties as to Authority and Creditworthiness**

4.2.1 Buyer represents and warrants to Seller, that as of the Effective Date:

4.2.1.1 Buyer is a [\_\_\_\_\_] [insert type of legal entity] [incorporated/organized] in [\_\_\_\_\_] [insert place of incorporation/organization] and validly exists under the Laws of [\_\_\_\_\_] [insert place of incorporation/organization];

4.2.1.2 Buyer is duly qualified and in good standing in all jurisdictions where required for performance under this Agreement;

4.2.1.3 Buyer has full power, authority, and legal right to own its assets and conduct its business as currently conducted and has taken all necessary action to sign and deliver this Agreement and perform its obligations under this Agreement; and

4.2.1.4 This Agreement has been duly signed and delivered by Buyer and forms a valid and binding obligation of Buyer, enforceable against Buyer in accordance with its terms.

4.2.2 Buyer represents and warrants to Seller that Buyer has furnished to Seller certified resolutions, authenticated powers-of-attorney, or other corporate instruments necessary to authorize its signing, delivery and performance of this Agreement.

#### **4.3 Seller's Warranties as to Gas**

Seller represents and warrants to Buyer that:

4.3.1 As of the Effective Date, Seller has the right, pursuant to Seller's Granting Instrument and the applicable Laws, to make available and sell Gas to Buyer in accordance with this Agreement;

4.3.2 As of the date of this Agreement Seller's Facilities are designed to be, when completed, adequate to make available Gas at a sustainable rate of up to the MaxDCQ and at least the MinDCQ, if applicable;

4.3.3 for each Day during the Delivery Period Gas made available at the Delivery Point, shall be lawfully owned, or controlled, by Seller with full and undisputed right to transfer title, and be free from all liens, charges, encumbrances and adverse claims, which might prevent, impede, or prejudice Seller's right to sell and dispose of Gas.

#### **4.4 Buyer's Warranties as to Gas**

Buyer represents and warrants to Seller that:

- 4.4.1 As of the Effective Date, Buyer has the right, in accordance with Buyer's Granting Instrument, if applicable, and the applicable Laws, to take Gas at the Delivery Point and pay Seller in accordance with this Agreement;
- 4.4.2 Buyer's Facilities are designed to be, when completed, adequate to receive and use Gas at a sustainable rate of up to the MaxDCQ and at least the MinDCQ, if applicable; and
- 4.4.3 For each Day during the Delivery Period, Seller shall no longer have title to, and/or risk of loss for, Gas taken by Buyer at the Delivery Point.

#### **4.5 Additional Representations and Warranties**

Each Party represents and warrants to the other that, except as set out in Attachment 4.5, as of the Effective Date:

- 4.5.1 neither such Party, nor any of such Party's Affiliates or Representatives have made, offered or authorized with respect to the matters which are the subject of this Agreement, any payment, gift, promise or other advantage, whether directly or through any other Person, to or for the use or benefit of any public official (e.g. any individual holding a legislative, administrative or judicial office, including any person employed by or acting on behalf of a public agency, public enterprise or public international organization) or any political party or political party official or candidate for office, where such payment, gift, promise or advantage would violate:
  - 4.5.1.1 The applicable Laws of Islamic Republic of Iran;
  - 4.5.1.2 The Laws of the country of formation of such Party or such Party's ultimate parent company or of the principal place of business of such ultimate parent company;
- 4.5.2 The signing and delivery of this Agreement by such Party do not and the performance of this Agreement will not:
  - 4.5.2.1 Violate any provision of its governing documents or any Laws presently in effect applicable to it or its properties or assets;
  - 4.5.2.2 Result in a breach of or constitute a default under any credit agreement or other agreement or instrument to or by which it or its properties or assets may be presently bound or affected; or
  - 4.5.2.3 Result in or require the creation or imposition of any encumbrance upon or of any of its properties or assets under any credit agreement, or other agreement or instrument;

#### **4.6 Duration of Representations and Warranties**

Each representation and warranty shall be true and accurate in all material respects when made and shall remain actionable for the duration of this Agreement plus [\_\_\_\_ ( )] calendar years.

#### **4.7 Disclaimer of Other Representations and Warranties**

To the full extent permitted by applicable Law, except as expressly stated in this Agreement, the Parties negate any other representation or warranty, written or oral, express or implied, including any representation or warranty for merchantability, conformity to samples, or fitness for any particular purpose.

#### **4.8 Seller's Covenants**

Seller covenants with Buyer that at no cost to Buyer, Seller shall:

- 4.8.1 use Reasonable Efforts to obtain all Seller Approvals, which are necessary for the construction, installation, testing, commissioning, and operation of Seller's Facilities, to enable Seller to make available and sell Gas to Buyer pursuant to this Agreement, to operate and maintain, and to repair or replace Seller's Facilities in accordance with Industry Practices, and to perform Seller's obligations under this Agreement and the transactions contemplated by this Agreement;

#### **4.9 Buyer's Covenants**

Buyer covenants with Seller that at no cost to Seller Buyer shall:

- 4.9.1 use Reasonable Efforts to obtain all Buyer Approvals, which are necessary for the construction, installation, testing, commissioning, and operation of Buyer's Facilities, to enable Buyer to take and purchase Gas in accordance with this Agreement, to operate and maintain, and to repair or replace Buyer's Facilities in accordance with Industry Practices, and to perform Buyer's obligations under this Agreement and the transactions contemplated by this Agreement;
- 4.9.2 notify Seller as soon as reasonably possible if any of such Buyer Approvals are not granted, lapse and are not renewed, or are cancelled or terminated, or if any proceeding is initiated concerning any of such Buyer Approvals;

#### **4.10 Mutual Covenants**

Each Party covenants to the other that such Party:

- 4.10.1 Will comply with all applicable Laws governing or relating to its performance under this Agreement.
- 4.10.2 Will maintain its existence and good standing and its qualifications to do business in all jurisdictions where performance under this Agreement is required.
- 4.10.3 Will maintain its corporate authority to perform its obligations under this Agreement.
- 4.10.4 neither such Party, nor such Party's Affiliates or Representatives will make, offer or authorize for the matters which are the subject of this Agreement, any payment, gift, promise or other advantage, whether directly or through any other Person, to or for the use or benefit of any

public official (e.g., any individual holding a legislative, administrative or judicial office, including any individual employed by or acting on behalf of a public agency, public enterprise or public international organization) or any political party or political party official or candidate for office, where such payment, gift, promise or advantage would violate:

4.10.5 The applicable Laws of [\_\_\_\_\_] [*insert name of host country*];

4.10.5.1 The Laws of the country of formation of such Party or such Party's ultimate parent company or of the principal place of business of such ultimate parent company.

4.10.6 Will maintain adequate internal controls, properly record and report all transactions, and comply with the Laws applicable to such Party. Each Party must rely on the other Party's system of internal controls, and on the adequacy of full disclosure of the facts, and of financial and other data regarding the deliveries of Gas under this Agreement. No Party is in any way authorized to take any action on behalf of another Party that would result in an inadequate or inaccurate recording and reporting of assets, liabilities or any transaction, or which would put such Party in violation of its obligations under the Laws applicable to the operations under this Agreement.

4.10.7 will on request of the other Party provide evidence of its compliance with such covenants within a reasonable period of time.

## **5 TERM AND KEY DATES**

### **5.1 Term**

This Agreement shall come into full force and effect on the Effective Date and shall subject to the provisions of this agreement remain valid for ... years from Effective Date. The termination of this Agreement shall be without prejudice to any rights, obligations and remedies arising out of or in connection with this Agreement, which have vested, matured or accrued to any Party before the date of such termination. Notwithstanding the preceding sentences the provisions of Article 1 - Definitions and Interpretation, Article 16 – Liability and Indemnity, Article 20 - Governing Law, Article 21 - Dispute Resolution, Article 19 – Confidentiality and Article 24 - Notices shall remain in effect until all rights, obligations and remedies have been finally extinguished, and all Disputes, including any financial audits carried out pursuant to this Agreement, have been finally resolved.

The date of the expiry of the Agreement referred to as the "Termination Date".

### **5.2 Extended Period**

Subject to the mutual agreement of the Parties, at least one (1) year prior to the end of This Agreement Term, the Parties shall consider and may agree the extension of this Agreement for a further period up to five (5) Years (an Extension Period), provided that the Extended Period shall commence at 00:00 hours on the Day on which the

Contract Period ends, and shall continue until the expiry of a period of five (5) Years from that Day.

### **5.3 Start-Up Date**

#### **5.3.1 General**

The Start-Up Date shall be the date on which the first delivery of Natural Gas for purposes of testing and starting of the Parties respective facilities occurs. The Start-Up Date in any case shall not be within less than ... (\*) month and beyond ... (\*) month from the Effective Date regarding the construction and execution of the Facilities. However this maximum period of ... (\*) month may be extended by the Buyer by a further period of up to ... (\*) month, depending upon the Buyer's Facilities.

#### **5.3.2 Determination of Start-Up Date**

- 5.3.2.1 the Buyer shall within a period as determined in clause 5.3.1, notify the Seller of a tentative date on which the Buyer's Facilities are likely to be ready for purchase of natural gas. Such tentative date shall, subject to the aforesaid time limit, be a date at least ... (\*) days from the date of notification.
- 5.3.2.2 After Buyer's notification under clause 5.3.2.1, the Seller shall notify the Buyer, with at least ... (\*) days prior notice of a ... (\*) days window ("First Window Period") in which the start-Up Date under the Agreement is anticipated to occur. Such window period shall be within the period as determined in clause 5.3.1 and shall not be beyond ... (\*) month from the tentative date as is determined by the Buyer under clause 5.3.2.1.
- 5.3.2.3 With not less than ... (\*) days prior notice, Buyer shall notify the Seller of the ... (\*) days window ("Second Window Period") within the above First Window Period in which the Start-Up Date is anticipated to occur.
- 5.3.2.4 No later than ... (\*) days prior to the first day of the Second Window Period, Seller shall notify the Buyer of the Start-Up Date within the above Second Window Period.
- 5.3.2.5 Subject to clauses 5.3.2.1 to 5.3.2.2 the Seller may by notice, terminate this agreement if Buyer fails to notify the tentative date or Second Window Period to the Seller in accordance with the above clauses.
- 5.3.2.6 notwithstanding the above clauses 5.3.2.1 to 5.3.2.5 but subject to the time limit specified in clause 5.3.1, Seller and Buyer may, however, at any time prior to Buyer or Seller notifying the other Party of the tentative date, First Window Period, Second Window period or the Start-Up Date, discuss in good faith and mutually agree in writing for the revised notice period in respect of such dates and periods.

#### **5.3.3 Default Date**

If the Seller fails to notify the Buyer of any Window Period in accordance with Clause 5.3.2, or if the Start-Up Date is not established in accordance with the procedure set out in Clause 5.3.2 above, [INSERT DATE] shall be deemed to be the



Start-Up Date.

#### **5.4 Commissioning Period**

- 5.4.1 The Commissioning Period shall be a period of ... (\*) Days (or any other days agreed by the Parties) commencing on the Start-Up Date and ending on the Commencement Date.
- 5.4.2 Natural Gas delivered during the Commissioning Period shall be referred to as "**Commissioning Gas**". Commissioning Gas shall be metered separately and shall not form part of the ACQ.
- 5.4.3 During the Commissioning Period, the Seller shall use [commercially] reasonable endeavours to make available for delivery quantity of Commissioning Gas requested by the Buyer, and the Buyer shall use [commercially] reasonable endeavours to accept delivery and take such Commissioning Gas, provided that neither Party shall be liable with respect to any failure to deliver or take Commissioning Gas during the Commissioning Period, nor shall either Party be liable with respect to the quality thereof.

#### **5.5 Payment for Commissioning Gas**

The Commissioning Gas delivered during the Commissioning Period shall be paid by the Buyer to the Seller at the Contract Price, unless otherwise agreed by the Parties. For the Commissioning Period, the Contract Price applicable is the first Monthly Contract Price after the Commencement Date.

#### **5.6 Commencement Date**

- 5.6.1 The Commencement Date shall begin on the Day immediately following the expiry of the Commissioning Period and shall be the date on which Seller's obligation to make available Natural Gas to the Buyer at the Delivery Point in accordance with this Agreement, and under which Buyer's obligation to take delivery and pay for (and pay if not taken) the Natural Gas made available by the Seller, shall commence.
- 5.6.2 if by the Commencement Date the Buyer is unable to take Natural Gas due to its failure to construct its Facilities the Seller shall send the Buyer a notice regarding such failure and Buyer shall have 3 months following the receipt of such notice to cure the default. If the Buyer fails to cure the default within such period, the Seller shall have the right to draw upon the full amount (Value of the Natural Gas to be delivered for the first three Delivery Months) of Standby Letter of Credit and Bank Guarantee, furnished by the Buyer pursuant to Clause [13.12] and [14.12], and at its sole discretion terminate the agreement or give Buyer more time to cure its failure.

### **6 FACILITIES**

#### **6.1 Buyer's Facilities**

- 6.1.1 The Buyer shall design, construct, install, test and commission (or shall

procure the design, construction, installation, testing and commissioning of) by the Commencement Date, at no cost to the Seller, Buyer's Facilities (or such parts thereof) as may be necessary for the performance of its obligations under this Agreement at such date and shall construct, install, test and commission such further parts of Buyer's Facilities as may be necessary after such date for the performance of its obligations under this Agreement.

6.1.2 The Buyer, acting as a Reasonable and Prudent Operator, shall operate, maintain and repair (or shall procure the operation, maintenance and repair of) the Buyer's Facilities during the Term so as to enable it to comply with its obligations under this Agreement.

6.1.3 Commencing on the Effective Date and continuing until the end of the Commissioning Period, the Buyer shall provide to the Seller a written report every six months informing the Seller of the progress for the construction of the Buyer's Facilities. Such reports shall include:

- (a) a summary of progress made since the previous report;
- (b) the anticipated date that the Buyer's Facilities will be sufficiently complete to accept deliveries of Natural Gas from the Seller; and
- (c) the nature and extent of any circumstances reasonably likely to cause a delay in the construction of the Buyer's Facilities, including a delay in obtaining any relevant approval or consent.

6.1.4 The Seller shall have the right to request, at reasonable times and on reasonable notice, to inspect the Buyer's Facilities to assure itself the Buyer is in compliance with this Clause 6. Upon such request, the Buyer shall use reasonable endeavors and cooperate in good faith to allow such inspections. In performing such inspections, the Seller shall at all times comply with site safety rules and procedures applicable to the Buyer's Facilities.

## **6.2 Seller's Facilities**

6.2.1 The Seller, acting as a Reasonable and Prudent Operator, shall operate, maintain and repair the pipeline facilities required for delivery of natural gas to the Delivery Point throughout the Term so as to enable it to comply with its obligations under this Agreement.

## **6.3 Standards**

Each Party shall design, construct, install, test, commission, operate and maintain (or procure the design, construction, installation, testing, commissioning and maintenance of) their respective Facilities in accordance with applicable laws and:

6.3.1 Industry standards and codes that would ordinarily be applied by a Reasonable and Prudent Operator ("**Standards**"); and

## **7 THE COORDINATION PROCEDURES.**

## 7.1 Technical Coordination Committee

- 7.1.1 A working-level group which will be known as the Technical Coordination Committee ("**Technical Coordination Committee**") shall be established within fifteen (15) Days from the Effective Date and shall continue to operate until the end of the Commissioning Period or such other date as the Parties may agree. The Technical Coordination Committee shall serve in an advisory capacity and act as the interface between the Seller and the Buyer so as to ensure the compatibility and optimisation of the respective Facilities.
- 7.1.2 Each of the Parties may appoint up to three representatives and alternates to such representatives on the Technical Coordination Committee. The Parties shall notify each other in writing of the names of their respective representatives and of their representatives' respective alternates. Each Party shall have the right to change any of its representatives or their alternates at any time. Any such change shall be notified in writing to the other Party not later than three (3) Days before the next meeting of the Committee.
- 7.1.3 The Technical Coordination Committee shall hold its first meeting within twenty five (25) Days of the Effective Date and shall thereafter meet at such intervals as its members may agree. The meetings of the Technical Coordination Committee shall be minute, and copies of such minutes circulated to all members for approval within five (5) Days of each meeting. Only minutes approved by all members shall be considered accurate records of such meetings.
- 7.1.4 The Technical Coordination Committee may make recommendations on matters discussed but the Parties shall not be bound by such recommendations. The Parties shall promptly provide all relevant data or information requested from time to time to facilitate proper and timely discussion of matters within the Technical Coordination Committee.
- 7.1.5 The Chairman of the Technical Coordination Committee shall be appointed by the Seller. Without prejudice to the rights and obligations of either Party under this Agreement, the Technical Coordination Committee shall meet from time to time as necessary to discuss matters relating to the coordination of the design, construction and interface of the respective Facilities including:
- 7.1.5.1 The making of proposals relating to the compatibility of the design philosophies of the Buyer's Facilities and the Seller's Facilities and optimising the design of the Buyer's Facilities and the Seller's Facilities;
  - 7.1.5.2 Monitoring progress towards completion of the Buyer's Facilities and the Seller's Facilities;
  - 7.1.5.3 Discussing dates for commissioning of the Buyer's Facilities and the Seller's Facilities;
  - 7.1.5.4 Making recommendations for the Coordination Procedures relating to the

construction installation, testing and commissioning of the respective Facilities;

- 7.1.5.5 Discussing responses to emergency conditions and circumstances of Force Majeure.

## **7.2 Operations Coordination Committee**

- 7.2.1 By no later than fifteen (15) Days before the Commencement Date, a working level group known as the Operations Coordination Committee ("**Operations Coordination Committee**") shall be established. The Operations Coordination Committee shall serve in an advisory capacity and act as interface between the Seller and the Buyer to ensure coordination of operations of the respective Facilities.
- 7.2.2 Each of the Parties may appoint up to three representatives and alternates to such representatives on the Operations Coordination Committee. The Parties shall notify each other in writing of the names of their respective representatives and of their representatives' respective alternates. Each Party shall have the right to change any of its representatives and their alternates at any time. Any such change shall be notified in writing to the other Party no later than three (3) Days before the next meeting of the Committee.
- 7.2.3 The Operations Coordination Committee shall hold its first meeting at least ten (10) Days before the Commencement Date and shall thereafter meet at such intervals as its members may agree. The meetings of the Operations Coordination Committee shall be minute, and copies of such minutes circulated to all members for approval within five (5) Days of each meeting. Only minutes approved by all members shall be considered accurate records of such meetings.
- 7.2.4 The Operations Coordination Committee may make recommendations on matters discussed but the Parties shall not be bound by such recommendations. The Parties shall promptly provide all relevant data or information requested from time to time to facilitate proper and timely discussion of matters within the Operations Coordination Committee.
- 7.2.5 The Chairman of the Operations Coordination Committee shall be appointed by the Buyer and then the Seller on a rotating basis for a term of one Contract Year (save that for the first term shall be for the first Contract Year and the second Contract Year).
- 7.2.6 Without prejudice to the rights and obligations of either Party under this Agreement and this Agreement, the Operations Coordination Committee shall meet on a Monthly basis to discuss matters relating to the coordination of production operations of the respective Facilities including:
- 7.2.6.1 Reviewing available production data to be provided by the Seller for selling to the Buyer for the following month;
- 7.2.6.2 Making recommendations for Coordination Procedures relating to the operation and maintenance of the respective Facilities;

- 7.2.6.3 Proposing scheduled maintenance of the Buyer's Facilities and the Seller's Facilities and coordination thereof;
- 7.2.6.4 Discussing the nomination programmes set out in Clause 9;
- 7.2.6.5 discussing, if necessary, any actions required to compensate for any insufficiency of Natural Gas quantities and any failure of Natural Gas to conform to the requirements as to quality pursuant to this Agreement; and
- 7.2.6.6 Discussing responses to emergency conditions and circumstances of Force Majeure.

### **7.3 Interface between the Committees**

The Technical Coordination Committee shall develop procedures for interfacing with the Operations Coordination Committee including (following the Commencement Date) the exchange of information relating to the respective Facilities.

### **7.4 Coordination Procedures**

- 7.4.1 By no later than [●] Days after the Effective Date, the Parties shall agree detailed technical Coordination Procedures for the construction, installation, testing and commissioning of the respective Facilities based on recommendations from the Technical Coordination Committee.
- 7.4.2 By no later than [●] Days before the Commencement Date, the Parties shall agree detailed operational Coordination Procedures for the scheduling of operation and maintenance of the respective Facilities based on recommendations from the Operations Coordination Committee
- 7.4.3 The Parties shall update the Coordination Procedures from time to time as may be necessary. A Party shall not unreasonably withhold or delay their consent to amendment to the Coordination Procedures proposed by the other Party.

## **8 DELIVERY POINT, TITLE AND RISK**

### **8.1 Delivery Point**

The Seller shall make available in accordance with the terms of this Agreement Natural Gas to the Buyer at the delivery point being the point as set out in Schedule [ ] (“**Delivery Point**”) and the Buyer shall take delivery of such Natural Gas in accordance with the terms of this Agreement.

### **8.2 Title and Risk**

- 8.2.1 Natural Gas sold and purchased shall be made available by the Seller and accepted by the Buyer at the Delivery Point in accordance with the terms set out in this Agreement. Natural Gas that passes the Delivery Point shall be considered as delivered by Seller and taken by the Buyer.
- 8.2.2 Title to and all risk associated with such Natural Gas including risk of loss, damage, and/or any third party claims arising with respect thereto, shall pass from the Seller to the Buyer at the Delivery Point.

## 9 CONTRACT QUANTITIES

### 9.1 Annual Contract Quantities (ACQ)

- 9.1.1 During each Contract Year the Seller shall make available at the Delivery Point the Properly Nominated Quantity of Natural Gas.
- 9.1.2 Starting at the Commencement Date and for each Contract Year during the term of this Agreement, the Buyer shall take an Annual Contract Quantity ("ACQ") of Natural Gas to be supplied by the Seller.
- 9.1.3 The ACQ for a Contract Year shall be ... MMBtu. ACQs shall be calculated in MMBtu.
- 9.1.4 If the Commencement Date occurs on a date other than January 1<sup>st</sup>, the ACQ for the first Contract Year shall be adjusted downwards pro rata to the number of Days remaining in the applicable Contract Year, such amount to be calculated as follows:

$$ACQ = A \times (B / C)$$

Where:

A = the volume described as ACQ applicable in the first year of the Period falling in such Contract Year;

B = number of Days remaining in such Contract Year after the Commencement Date; and

C = number of Days in such Contract Year.

If the final Contract Year ends on a Day other than 31<sup>st</sup> December, then the ACQ for such Contract Year shall be adjusted downwards pro rata to the number of Days in that Contract Year as follows:

$$ACQ = A \times (B / C)$$

Where:

A = the volume described as ACQ applicable in the last year the Contract;

B = number of Days remaining in such Contract Year until the Termination Date; and

C = number of Days in such Contract Year.

### 9.2 Adjusted ACQ

For each Contract Year, at the end of such Contract Year there shall be calculated an amount of Natural Gas (the "**Adjusted ACQ**" or "**AACQ**") which shall be equal to the ACQ for such Contract Year:

Less any:

- 9.2.1 the aggregate quantity of Natural Gas Properly Nominated by the Buyer for each Day during such Contract Year, which the Seller did not deliver for any reason (including Seller's Force Majeure) but excluding the Buyer's failure to accept Natural Gas tendered for delivery by the Seller in accordance with this Agreement (save where failure to accept such Natural Gas was due to Buyer's Force Majeure);
- 9.2.2 the aggregate quantity of Natural Gas Properly Nominated by the Buyer for each Day during such Contract Year, which the Buyer rejected as not complying with the applicable quality specifications in this Agreement; and
- 9.2.3 The aggregate quantity of Natural Gas Properly Nominated by the Buyer for each Day during such Contract Year, which the Buyer did not accept for reasons of Buyer's Force Majeure.

### **9.3 Daily Contract Quantity (DCQ)**

Subject to the relevant provisions Clause ..., during each Day of each Contract Year, the Seller shall make available a quantity of Gas at the Delivery Point and Buyer shall be entitled to purchase a volume equal to the following Daily Contract Quantity (DCQ):

$$DCQ = ACQ / (365 - M) \text{ MMBtu}$$

Where:

M = ... [number of days of agreed maintenance].

### **9.4 Maximum Daily Contract Quantity (Max DCQ) and Minimum Daily Contract Quantity (Min DCQ)**

9.4.1 The Maximum DCQ shall be, for each Day during each Contract Year, the maximum quantity of Natural Gas which (subject to being Properly Nominated) the Seller shall make available at the Delivery Point. The Maximum DCQ shall be calculated as follows for each Day during each Contract Year.

9.4.1.1 Max DCQ for each Day = [ ] % of DCQ.

9.4.2 The Minimum DCQ shall be, for each Day during each Contract Year, the minimum quantity of Natural Gas which the Buyer shall take at the Delivery Point. The Minimum DCQ shall be calculated as follows for each Day during each Contract Year.

9.4.2.1 Min DCQ for each Day = [ ] of DCQ

### **9.5 Take or Pay Obligation**

9.5.1 Take or Pay Quantity

At the end of each Contract Year (other than during the Recovery Period indicated

in 9.6.5), the Buyer shall take and pay for, or pay for if not taken, a quantity of Natural Gas (the "**Take or Pay Quantity**") equal to [%] of the AACQ; such obligation being referred to as the "**Take or Pay Obligation**"

#### 9.5.2 Take or Pay Payments

If in any Contract Year, the quantity of Contract Gas taken by the Buyer falls short of the Take or Pay Quantity, then the Buyer shall pay, for the quantity corresponding to such shortfall (the "**Buyer's TOP Shortfall**"), an amount calculated by multiplying the Buyer's TOP Shortfall by 100% of the Annual Contract Price (the "**Take or Pay Payment Obligation**").

### 9.6 Make Up Gas

#### 9.6.1 Make-Up Quantity

Any Buyer's TOP Shortfall that has been paid for under Clause [ ] may be made up by the Buyer and delivered by the Seller in the following Contract Years in accordance with this Clause 9.6 (the "**Make-Up Quantity**").

#### 9.6.2 Make-Up Balance

The Seller and the Buyer shall record the "**Make-Up Balance**" which, subject to Clause 9.6.3, shall be the aggregate of the Make-Up Quantities for each Contract Year up to and including the current Contract Year less the aggregate quantity of Make-Up Quantities made available to the Buyer pursuant to Clause 9.6.3.

#### 9.6.3 Recovery of Make-Up Quantity

In any Contract Year in which there is a positive Make-Up Balance and after that the Buyer has taken the Take or Pay Quantity for that Contract Year, the Buyer shall be entitled to request to take the quantity of Natural Gas in excess of the Take or Pay Quantity up to the Make-Up Balance (the "**Make-Up Gas**"). The Seller, subject to availability, shall use commercially reasonable endeavours to provide such Make-Up Gas when requested by Buyer. The Make-Up Gas recovered shall be deducted from the Make-Up Balance in the same chronological order in which such quantities accrued ("first in/ first out"). For the avoidance of doubt, Seller's failure to schedule delivery of Make-Up Gas shall not extinguish Buyer's entitlement to such Make-Up Gas.

#### 9.6.4 Lapse of the right to Make-Up Quantity

Buyer's rights to take such Make-Up Gas shall lapse at the end of third (3) Contract Years following the Contract Year in which such Make-Up Gas arose.

#### 9.6.5 Recovery Period

If there is any Make-Up Balance which has not been taken by the Buyer and has not lapsed when the Term expires, this Agreement shall be extended for a period of up to 365 Days to enable such Make-Up Gas to be taken ("**Recovery Period**"). This



extension is solely for the purpose of recovery by the Buyer of such outstanding Make-Up Balance. For the avoidance of doubt, throughout the Recovery Period, pursuant to this Clause, the daily Properly Nominated Quantity shall be between Min DCQ and Max DCQ of the last year of the Term of the Contract. If the Buyer is unable to take the outstanding Make-Up Balance made ready for delivery by the Seller during the Recovery Period, then Buyer rights to any outstanding Make-Up Balance shall be extinguished at the end of the Recovery Period. However, if the Seller fails to make available to the Buyer any properly nominated quantities of Make-Up Gas during the Recovery period, then at the amount paid by the Buyer to the Seller for any remaining outstanding Balance of Make-Up Quantity will be reimbursed by the Seller to the Buyer within three (3) months after the end of the Recovery Period.

### **9.7 Excess Gas Quantity**

9.7.1 If the Buyer nominates or requests delivery of a daily quantity of Natural Gas greater than Max DCQ then the Seller shall have complete discretion as to whether to supply any or all of such excess quantity.

### **9.8 Attribution**

The quantity of Natural Gas made available by the Seller, and taken by the Buyer, at the Delivery Point in each Contract Year shall be attributed in the following order:

9.8.1 Firstly, to the ACQ, adjusted as applicable, for that Contract Year;

9.8.2 Secondly, to any Make-Up Gas taken for that Contract Year;

9.8.3 lastly, to any other additional quantities of Natural Gas taken as agreed by the Parties.

### **9.9 Properly Nominated Quantities**

9.9.1 The Buyer shall nominate its requirement on a yearly, monthly, weekly and daily basis in accordance with the procedure in Schedule [ ] (“**Properly Nominated Quantity**”).

9.9.2 Where the quantity nominated on a daily basis is less than the Min DCQ or there is no nomination on any day, the **Properly Nominated Quantity** shall be deemed to be the Min DCQ.

### **9.10 Scheduled Maintenance**

Each Party shall be entitled to scheduled maintenance days on which it may carry out scheduled maintenance of its Facilities (“**Scheduled Maintenance Days**”). The programme of Schedule Maintenance Days for each Party shall be determined in accordance with Schedule [ ].

## **10 QUALITY SPECIFICATIONS**

### **10.1 Optimal Specification Gas**

The Natural Gas to be delivered by the Seller pursuant to this Agreement shall

comply with the specifications as set out in Schedule [ ] (the "**Optimal Specification Gas**").

#### **10.2 Acceptable Off-Specification Gas:**

If the Seller delivers Natural Gas which-falls within a certain tolerance margin within a range of required specifications as set out in Schedule [ ] ("Acceptable Off-Specification Gas"), the Buyer shall not be entitled to reject such Acceptable Off-Specification Gas but will be entitled to a discount on the Contract Price equal to [ ]

#### **10.3 Off-Specification Gas**

Natural Gas that is not Specification Gas made available by Seller to Buyer under this Agreement shall be referred to as "**Off-Specification Gas**".

#### **10.4 Buyer's Option Regarding Off-Specification Gas**

10.4.1 The Buyer may either accept or reject Off-Specification Gas (it being understood that the Buyer shall do its reasonable endeavours to take the Off-Specification Gas when technically possible without causing any damage to the facilities).

10.4.2 If the Buyer accepts such Off-Specification Gas, it shall pay a reduced price being the applicable Contract Price multiplied by [X%].

10.4.3 If the Buyer rejects such Off-Specification Gas, then, unless excused by Force Majeure or agreed maintenance period, then Clause [ ] (Shortfall) shall apply.

#### **10.5 Expert Determination**

Any difference that may arise between the Parties with respect to the quality of Natural Gas under this Agreement shall be referred to the Expert for determination.

### **11 MEASUREMENT AND TESTING**

#### **11.1 Natural Gas Metering and Testing**

11.1.1 The Buyer shall install all standard metering, recording and testing equipment, housings, devices and materials together with all related equipment, appliances and buildings which are required to meter the quantity of the delivered Natural Gas in accordance with ...

11.1.2 The Natural Gas delivered by the Seller and accepted by the Buyer at the Delivery Point shall be metered by the Metering and Testing Facilities on a real-time basis (if applicable) and a daily basis as mutually agreed by reference to the volume, the Gross Heating Value and each gas component set out in schedule [ ] (Specification Schedule).

11.1.3 Either Party may refer any dispute with respect to the Metering and Testing Facilities for resolution by an Expert in accordance with Clause [\*]

### **12 SHORTFALL QUANTITIES**

12.1 If, on any Day after the Commencement Date:

12.1.1 The Seller fails to make available the daily Properly Nominated Quantity in respect of that Day; and/or

12.1.2 the Buyer fails to take the volume of Natural Gas made available by the Seller (provided that the Seller shall only be entitled to make available an amount up to the daily Properly Nominated Quantity for the purpose of this Clause) in respect of that Day,

for any reason other than:

12.1.3 The occurrence of an event of Force Majeure which prevents the Seller from delivering and/or the Buyer from taking Natural Gas; and

12.1.4 Agreed maintenance and repair,

then the quantity of Natural Gas by which:

12.1.5 The Seller's delivery has fallen short of the daily Properly Nominated Quantity for such Day shall be considered as a "**Seller's Actual Shortfall**"; and

12.1.6 The Buyer fails to take such volume of Natural Gas made available by the Seller for such Day (provided that the Seller shall only be entitled to make available an amount up to the daily Properly Nominated Quantity for the purpose of this Clause) shall be considered as a "**Buyer's Actual Shortfall**".

## 12.2 Small Shortfalls

12.2.1 At the end of each semi annual, the sum of the Buyer's Actual Shortfalls that accrue during such period shall be subtracted from the sum of the Seller's Actual Shortfalls that accrue during such period (the "**Actual Shortfall Quantity**").

12.2.2 To the extent that the Actual Shortfall Quantity is equal or less than (\*%) of the Properly Nominated Quantity in the applicable semi annual, such amount, shall be a "**Small Shortfall Quantity**".

12.2.3 Where the Small Shortfall Quantity happens (a Seller's Small Shortfall Quantity), the price of the delivered gas shall not be changed and there shall be no discount on subsequent invoices.

## 12.3 Large Shortfalls

12.3.1 At the end of each Contract Year following the Commencement Date, to the extent that the Actual Shortfall Quantity exceeds (\*%) of the Properly Nominated Quantity in the applicable semi annual, such excess amount comprised of that portion that is actually in excess of (\*%) of the Properly Nominated Quantity in that applicable semi annual, shall be an "**Large Shortfall Quantity**".

12.3.2 Where the Large Shortfall Quantity is positive (a "**Seller's Large Shortfall**

**Quantity**”), then it would entitle the Buyer to recover documented costs up to a maximum of ... percent (\*%) of the value of the undelivered gas received from the Seller,

12.3.3 Where the Actual Large Shortfall Quantity is negative (a “**Buyer’s Large Shortfall Quantity**”), then it would entitle the Seller a premium equal to ... (\*%) of the value of the untaken gas

12.3.4 At the end of each semi-annual the Buyer's shortfalls and the Seller's Shortfalls shall be set off in the relevant invoices.

12.3.5 Shortfall obligations shall apply immediately after the Commencement Date.

### 13 CONTRACT PRICE AND TAXES

#### 13.1 Contract Price

13.1.1 The Parties agree on a price formula to determine the price of the Natural Gas to be delivered at Delivery Point (including all consumption particularly the fuel) in US Dollars per MMBTU for each month of delivery (the "Contract Price" or "CP") as follows:

$$P_n = 50\% \times P_{LNG-JKM} \text{ if } P_{LNG-JKM} < 12\$/MMBTU$$

$$P_n = P_{LNG-JKM} - 6 \text{ if } P_{LNG-JKM} \geq 12\$/MMBTU$$

Whereas:

$P_n$  is the price of delivered natural gas to the SLNGU in month (n) in terms of USD/MMBTU

$P_{LNG-JKM}$  Is the monthly average price of LNG in month (n) in terms of USD/MMBTU

It should be noted that the price of natural gas delivered to the Buyer by the Seller in any case shall not be less than the following floor price formula:

$$P_{n-Floor} = 6\% \times P_{Bwave}$$

Whereas:

$P_{n-Floor}$  is the floor price for the delivered natural Gas in month (n) in terms of USD/MMBTU

$P_{BWave}$  is the monthly average price of crude oil Brent in month (n) in terms of USD/bbl

13.1.2 The Contract Price, from beginning of Farwardin to the end of Shahrivar is 10% lower than the calculated gas price stipulated in Clause 13.1.1, and also, from beginning of Mehr to the end of Esfand is 10% higher than the

calculated gas price stipulated in Clause 13.1.1.

13.1.3 The Contract Price for each month will be calculated and declared by the Planning Assistance of Iran's Oil Ministry and shall be used as the Contract Price until 19<sup>th</sup> march 2032. In case that Iran's Ministry of Petroleum recognizes any necessity to revise the price formula after 19<sup>th</sup> march 2032, the new formula according to regional-global LNG prices, assuming full amortization of asset, as well as considering reasonable operational expenditures of counter party, will be determined and declared by Iran's Ministry of Petroleum.

## **14 INVOICING AND PAYMENT**

### **14.1 Accounting Period**

14.1.1 The accounting period for the Natural Gas delivered shall be each Month in which Natural Gas is delivered (the Delivery Month), if applicable, for the Shortfall Amount shall be each relevant six Delivery Month (semi-annual) in which Natural Gas is delivered (the Delivery Half Year), and if applicable for the Take or Pay Amount shall be each relevant Contract Year in which Natural Gas is delivered (the Delivery Year).

### **14.2 Monthly Statement**

14.2.1 Within [twenty (20)] Business Days after the end of each Delivery Month, the Seller shall prepare a Monthly Statement. Each Monthly Statement shall set out for the relevant Contract Month the following information where applicable:

- 14.2.1.1 the daily quantity (MMBTU) of Natural Gas delivered at the Delivery Point during each Day of the relevant Calendar Month and the relevant Start-Up Period (if any) and the total quantity (MMBTU) of Natural Gas delivered at the Delivery Point during the Delivery Month and the relevant Start-Up Period (if any);
- 14.2.1.2 The Properly Nominated Quantity of Natural Gas on each Day in the relevant Contract Month;
- 14.2.1.3 Any quantity (MMBTU) of Off-Specification Gas accepted and/or rejected by the Buyer in the Delivery Month;
- 14.2.1.4 any quantity (MMBTU) of Natural Gas delivered to recoup Make-Up Gas in the Delivery Month and the Outstanding Balance of Make-Up Gas, (if any);
- 14.2.1.5 the aggregate of all quantities which the Seller has not delivered and the Buyer has not taken due to Force Majeure and Maintenance pursuant to Clauses [\*];
- 14.2.1.6 The applicable prices (in \$/MMBTU) in the Delivery Month in respect of delivered quantities and MMBTU of Natural Gas;
- 14.2.1.7 Any adjustments to correct errors and/or omissions in connection with any previous Monthly Invoices; [invoice]

14.2.1.8 Such other information that Seller deems to be needed relevant for purposes of calculating the amount due; and

14.2.1.9 The net amount payable by the Buyer to the Seller, after taking account of all the matters set out in this Clause 14.2.

14.2.2 Each Monthly Statement shall be accompanied by the following supporting documents:

14.2.2.1 The Monthly Delivery and Acceptance Report (in four copies), duly countersigned;

14.2.2.2 The Certificate of Quality duly supported by daily specification sheets, duly countersigned.

### **14.3 Semi-Annually Reconciliation Statement**

14.3.1 Within [thirty (30)] Days after the end of each Contract Half Year, the Seller shall render to the Buyer a statement (a "Semi-Annually Reconciliation Statement") which shall show for the relevant Contract Half Year, the amount owed to the Seller or to the Buyer arising from any Shortfall Quantity pursuant to Clause [\*].

14.3.2 In the event an amount is owed to the Buyer pursuant to such Semi-Annually Reconciliation Statement, such amount shall be deducted from the Invoice to be issued in respect of the next Contract Month and the Seller shall be entitled to issue to the Buyer a statement setting out the remaining amount, if any, after such deduction, which shall be credited to the Buyer in the following Invoice(s).

14.3.3 In the event an amount is owed to the Seller pursuant to such Semi-Annually Reconciliation Statement, such amount shall be added to the Invoice to be issued in respect of the next Contract Month.

### **14.4 Annual Reconciliation Statement**

14.4.1 Within [forty five (45)] Days after the end of each Contract Year, the Seller shall render to the Buyer a statement (an "Annual Reconciliation Statement") which shall show for that Contract Year the information specified below:

14.4.1.1 The total Properly Nominated Quantity of Natural Gas in that Contract Year and the total quantity of Natural Gas, expressed in MMBTU, delivered by the Seller at the Delivery Point;

14.4.1.2 the Adjusted ACQ and the Take or Pay Quantities and Payments for that Contract Year, and the deduction made from the ACQ to arrive at the Adjusted ACQ in accordance with Clause[\*];

14.4.1.3 The quantities of Natural Gas for which the Buyer should have paid at the prices prescribed therefore and the amount for which it has in fact paid at such prices;

14.4.1.4 the Make-up Gas for the relevant Contract Year and showing in detail all quantity (if any) taken by the Buyer as Make-Up Gas in the relevant Contract

Year, the balance at beginning and end of Contract Year, together with the outstanding balance of Make-Up Gas;

- 14.4.1.5 The Make-Up Quantities which the Buyer's rights to take elapsed at the end of that Contract Year;
- 14.4.1.6 Any quantity and MMBTU of Off-Specification Gas accepted and/or rejected by the Buyer in that Contract Year;
- 14.4.1.7 Any quantity (MMBTU) of Excess Gas which is delivered in that Contract Year (if any);
- 14.4.1.8 the quantities and MMBTU of Natural Gas taken by the Buyer as Excess Gas in such Contract Year and the prices applicable to such quantity; and
- 14.4.1.9 Such other information that Seller deems to be needed for purposes of calculating the amount due; and
- 14.4.1.10 the net sum (if any) payable by the Buyer to the Seller at the end of that Contract Year after taking accounts of all the foregoing matters set out in this Clause [\*].

14.4.2 In the event an amount is owed to the Seller pursuant to such Annual Reconciliation Statement, such amount shall be added to the Invoice to be issued in respect of the next Month.

#### **14.5 Invoice**

14.5.1 the Seller shall send one duly signed Invoice plus four copies simultaneous with and based on (i) the Monthly Statement, (ii) the Semi-Annually Reconciliation Statement (, and (iii) the Annual Reconciliation Statement, such information to the Buyer. Invoices shall be accompanied by the relevant, Monthly Statement, and if any, Semi-Annually Reconciliation Statement or Annual Reconciliation Statement.

#### **14.6 Buyer's Failure to Countersign Supporting Documentation**

14.6.1 In the event the representative of the Buyer does not countersign the supporting documents, any of the underlying documents that may be necessary for the preparation of the Invoices and its supporting documents, such documents shall be kept by the representative of the Seller to be countersigned by the representative of the Buyer within 3 Days from the end of each Accounting Period.

14.6.2 In the event the Buyer's representative does not countersign the above mentioned documents within 3 Days from the end of the Accounting Period, then the daily and any supporting documents signed by the representative of the Seller shall be final and acceptable to the Buyer and the Buyer shall have no objection later in this regard.

#### **14.7 Disputed Invoices**

14.7.1 If after receipt of an Invoice the Buyer disputes any item specified in such Invoice then the Buyer shall send a notice (an "Invoice Dispute Notice") to

the Seller setting out details of the dispute within four (4) Business Days of the receipt of the Invoice.

14.7.2 Notwithstanding that the Buyer has issued an Invoice Dispute Notice in accordance with Clause [\*], it shall be liable to pay to the Seller on the due date for payment of the relevant Invoice the full amount specified in the relevant Invoice.

14.7.3 Both Parties shall attempt to resolve the dispute promptly, amicably and in good faith within a period of not more than seven (7) Days after the Invoice Dispute Notice is received. In any event after the payment of the Invoice in dispute, such adjustment in payment as shall be necessary between the Parties with respect to the disputed portion shall be effected in the first following Invoice.

14.7.4 If the Parties do not resolve a dispute in respect of an Invoice within seven (7) Days of the delivery of an Invoice Dispute Notice, the dispute shall be submitted to an Expert for resolution in accordance with Clause[\*].

#### **14.8 Invoice Due Date**

14.8.1 The due date for the Invoices mentioned in Clause 14.5 shall be [\*] days following the date the Invoices were issued (the Invoice Due Date).

#### **14.9 Payment**

14.9.1 All payments under this Agreement shall be made in Euro (EUR) or in such other widely transferable and convertible currency (hereinafter referred to as "Other Currency") as shall be notified by the Seller. In that case, the EUR/USD exchange rate or Other Currency/ USD exchange rate to use for the conversion shall be the periodical average of the daily reference rate as published by [\*] for the applicable Accounting Period of the Invoice.

14.9.2 If the Buyer is prevented by the laws of the territory of the currency of payment and/or remittance from making and/or remitting any payment due to the Seller in such currency, the Buyer and the Seller shall use all reasonable efforts to effect payment and remittance, but, without prejudice to the Buyer's continuing liability for that payment and remittance and the Seller's right to suspend deliveries of Natural Gas under this Contract. Provided however, that in such event the Seller shall designate such other widely transferable and convertible currency that is transferable to the Seller.

14.9.3 The Buyer shall advise the Seller in writing of any payment and remittance under Clause.... and shall instruct its banker to provide confirmation of such remittance to the Seller.

14.9.4 If the due date for payment falls on a bank holiday affecting the Buyer's bank then payment shall be made on the first following Day on which the banks are not so affected.



14.9.5 If the Buyer is in default with respect to any payment obligation under this agreement, the Seller shall send the Buyer a notice of default (Default Notice), and the Buyer shall have 5 (five) Business Days following the receiving of such Default Notice to cure the default by payment in full of the amount in default, including the interest as specified in Clause [\*] (Late Payment), by wire transfer to the Seller's Bank Account. If the Buyer fails to cure the default within such period of 5 (five) Business Days, the Seller shall have the right to draw upon the Standby Letter of Credit, furnished by the Buyer pursuant to Clause [\*] Standby Letter of Credit, for the full amount in default, including interest as specified in Clause [\*] (Late Payment).

14.9.6 Except as otherwise expressly provided in this Contract, all payments by the Buyer or the Seller shall be made free and clear of any present and future tax, levies, withholdings or deductions of whatever nature. In the event any such amounts are required to be deducted from any payment, such payment shall be grossed up so that the Seller or the Buyer receives the total amount due. Seller shall have the option to settle any payments due by it to the Buyer under this Agreement by deducting such sums from the sums due by the Buyer under the following invoice(s).

#### **14.10 Designated Bank**

The Parties shall designate a bank, in a location reasonably acceptable to the other Party, for payments under this Agreement. A Party shall designate its bank by notice to the other Party, initially not later than [\*] Days prior to the Start Date and thereafter not less than [\*] before any redesignation is to be effective.

#### **14.11 Late Payment**

14.11.1 If either Party fails to make payment to the other Party of any sum due hereunder by the due date for payment, interest thereon shall accrue at a rate equal to LIBOR (London Inter-Bank Offered Rate) for one (1) month rate as published in the Financial Times of London plus (2) percent calculated from the due date until the date of actual payment to the Seller or the Buyer as the case may be.

#### **14.12 Standby Letter of Credit**

14.12.1 No later than [ten (10)] Days before the Effective Date, the Buyer shall establish and provide to the Seller a confirmed, irrevocable, revolving, standby letter of credit (the LOC) with a term of three (3) months (extendable and to be extended) at the end of each month for a further month at a time covering the Provisional Value of the Natural Gas to be delivered for the first three Delivery Months from the date of issue or extension. The LOC shall be in substantially the form as set out in [\*] (Letter of Credit) and be acceptable to Seller.

#### **14.13 Bank Guarantee**

14.13.1 No later than [ten (0)] Days before the Effective Date, the Buyer shall establish and provide to the Seller a confirmed, irrevocable, revolving, Bank Guarantee with a term of three (3) months (extendable and to be extended) at the end of each quarter for a further quarter at a time covering the Provisional Value of the Natural Gas to be delivered for the first three Delivery Months from the date of issue or extension. The LOC shall be in substantially the form as set out in [\*] (Bank Guarantee) and be acceptable to Seller.

#### **14.14 Tax**

14.14.1 The Seller shall indemnify the Buyer for all costs, taxes, royalties, levies, imposts, charges, or any other such costs and expenses imposed on or attributable to the Natural Gas before the Buyer takes custody and title of the Natural Gas and the Buyer shall indemnify the Seller for costs, taxes, royalties, levies, imposts, charges or any other costs or expenses imposed on or attributable to the Natural Gas after the Buyer takes custody and title of the Natural Gas.

### **15 FORCE MAJEURE**

#### **15.1 Definition of Force Majeure**

15.1.1 As used in this Agreement, "**Force Majeure**" shall mean an event or circumstance of any kind the occurrence of which is not foreseeable and which is beyond the reasonable control of the Party affected by such event, acting and having acted as a Reasonable and Prudent Operator, and relates to such affected Party and/or the Buyer's Facilities and/or the Seller's Facilities resulting in or causing the failure by the Party affected to perform any one or more of its obligations or undertakings under this Agreement.

15.1.2 Without prejudice to the generality of Clause 15.1.1, Force Majeure shall include:

15.1.2.1 fire, explosion and acts of God including flood, drought, lightning, storm, tempest, hurricane, cyclone, typhoon, tornado, earthquake, landslide, perils of the sea, soil erosion, subsidence, washout or epidemic;

15.1.2.2 War (whether declared or undeclared), civil war, riot, civil disturbance, blockade, insurrection, military uprising, acts of public enemies, invasion or military embargo;

15.1.2.3 Strike, lockout or other industrial disturbance;

15.1.2.4 Sabotage or terrorist acts;

15.1.2.5 Acts of any governmental or regulatory authorities in the Islamic Republic of Iran. (Including Changes in Law);

15.1.2.6 Loss of, accidental and material damage to, or failure of the Seller's Facilities or the Buyer's Facilities;

15.1.2.7 Loss of, serious accidental and material damage to, or failure of the Common

Facilities which will affect the performance of the obligations of the Buyer or Seller under this Agreement

15.1.3 No failure, hindrance, delay or omission by any Party to fulfil any of its obligations under this Agreement shall give rise to any claim against the other Party or be deemed to be a breach of this Agreement if and to the extent that such failure, hindrance, delay or omission arises from a Force Majeure event pursuant to this Clause 15.

15.1.4 Notwithstanding any other provision of this Agreement, the provisions of this Clause 15 shall not excuse any Party from any failure, hindrance; delay or omission of such Party to fulfil any of its obligations under this Agreement to the extent caused by or relates to:

15.1.4.1 Unavailability of funds to pay amounts when due, or other financial hardship;

15.1.4.2 Breakdown or failure of equipment caused by normal wear and tear, failure to properly maintain equipment or stock of spares where not acting as a Reasonable and Prudent Operator; and/or

15.1.5 The Parties acknowledge and agree that the circumstances set out in Clause 15.1.4.1 and 15.1.4.2 shall not constitute Force Majeure for the purposes of this Agreement.

## **15.2 Notice, Resumption of Normal Performance**

15.2.1 Promptly upon the occurrence of an event that may subsequently lead to a claim for relief under Clause 15.1 on account thereof, and in any event within and not later than five (5) Days after such occurrence or the date of knowledge of such occurrence, the Party affected shall give written notice of such effect to the other Party, describing such event and the obligations performance of which could reasonably be expected to be delayed or prevented thereby. In the event any Party claims relief under Clause 15.1.3, it shall promptly notify the other Parties thereof and shall state in such notice:

15.2.1.1 the particulars of the event of Force Majeure giving rise to such claim, in as much detail as is then reasonably available including but not limited to the place and time such event occurred;

15.2.1.2 to the extent known or ascertainable, the obligations which have been actually delayed or prevented in performance and the estimated period during which such performance may be suspended or reduced, including the estimated extent of such reduction in performance;

15.2.1.3 The particulars of the programme to be implemented to ensure full resumption of normal performance hereunder; and

15.2.1.4 The extent to which it reasonably expects to be able to perform its obligations under this Agreement during the period for which relief can reasonably expected to be claimed.

15.2.1.5 For the avoidance of doubt, any relief given to a Party under this Clause 15 in respect of its obligations under the Agreement shall commence upon the occurrence of the event constituting Force Majeure and not upon the service of

the notice under this Clause 15.2.1 by the Party seeking relief.

15.2.2 During the period of Force Majeure, the Party affected by an event of Force Majeure shall, at the request of the other Parties, give or procure access (at the expense and risk of the Party seeking access and subject, in the case of access to the Buyer's Facilities and the Seller's Facilities, to the conditions set out in this Agreement) at all reasonable times for a reasonable number of representatives of such Party to examine the scene of such event of Force Majeure.

15.2.3 The Parties shall, and shall use all reasonable endeavours to procure that any operator of any relevant facility shall, take all measures that are reasonable in the circumstances and which would have been taken by a Reasonable and Prudent Operator to resume normal performance of this Agreement after the occurrence of an event of Force Majeure. Prior to resumption of normal performance, the Parties shall continue to perform their obligations under this Agreement to the extent not prevented by such event of Force Majeure.

### **15.3 Termination for Prolonged Force Majeure**

15.3.1 Should an event of Force Majeure continue for more than fifteen (15) days after receipt of the notice, the Parties shall make all their reasonable efforts to mitigate such circumstances and agree a solution to the prolonged Force Majeure.

15.3.2 Should any such agreement fail to be reached within a period of sixty (60) Days after expiry of the fifteen (15) days period set out in Clause 15.3.1, the Parties shall have the right to terminate this Agreement by notice in writing. Provided that:

15.3.2.1 The event of Force Majeure prevents, hinders or delays the performance of a material obligation or condition required to be performed under this Agreement;

15.3.2.2 During the period of sixty 60 days, the Seller has failed to deliver or the Buyer has failed to take more than seventy percent (70%) of the aggregate of ACQs in such period; and

15.3.2.3 The event of Force Majeure continues to persist at the time such notice is given.

### **15.4 Burden of Proof**

In respect of any claim for relief due to Force Majeure pursuant to this Clause 15, the Party claiming such relief shall bear the burden of proving that the event or circumstance causing its non-performance of its obligations under this Agreement was an event of Force Majeure within the provisions of this Clause 15.

## **16 LIABILITY AND INDEMNITY**

### **16.1 Limitation on Seller's Liability**

The Seller's only liability, and the Buyer's sole remedy, for any failure by the Seller to deliver Natural Gas under this Agreement shall be limited to its liability under Clause 12.

## **16.2 Limitation on Buyer's Liability**

Without prejudice to Clause 9.5 (Take or Pay Obligation), the Buyer's only liability, and the Seller's sole remedy, for any failure by the Buyer to take Natural Gas under this Agreement shall be limited to its liability under Clause 12.

## **16.3 Consequential Damages**

16.3.1 Subject to Clause 16.4, neither Party shall owe or incur any liability whatsoever to the other Party (whether in contract or in tort, including negligence, or otherwise howsoever caused and irrespective of negligence and/or breach of duty, statutory or otherwise) for:

16.3.1.1 loss of profit or anticipated profits or revenue, loss of use, loss of contract or other business opportunity, loss of goodwill, loss or failure of or delay in production or increased cost of working or consequences of business interruption; or

16.3.1.2 Any indirect or consequential losses or consequential damages whatsoever, sustained as a result of any act or omission of that Party under this Agreement.

16.3.2 For the avoidance of doubt, amounts payable under Clauses 9.5 (Take or Pay Obligation), and Clause 12 (Shortfall) shall not be considered as consequential loss or damage under this Clause 16.3.

## **16.4 Mutual Hold Harmless**

16.4.1 Property and Personnel of the Parties

16.4.1.1 Buyer waives all rights in respect of, and shall indemnify, defend and hold harmless the Seller and its respective directors, officers, employees, representatives, agents, contractors and licensees (for the purposes of this Clause 16.4.1, each an "**indemnified party**") from and against all costs, losses, damages, claims, liabilities and/or expenses of any kind in respect of any costs, losses, damages, claims, liabilities and/or expenses of any kind incurred or suffered by the Buyer and its directors, officers, employees, representatives, agents, contractors and licensees (for the purposes of this Clause 16.4.1.1, each a "**Buyer party**") in respect of any loss of or damage to property of such Buyer parties (whether owned, hired or leased by it) or death, illness or injury to any such Buyer parties who are natural persons caused by, or arising from or in connection with the performance of this Agreement (including negligence), except to the extent that any such costs, losses, damages, claims, liabilities and/or expenses of any kind are caused by, or arise from or in connection with the Gross Negligence or Wilful Misconduct of such indemnified party.

16.4.1.2 The Seller waives all rights in respect of, and shall indemnify, defend and hold harmless the Buyer and its directors, officers, employees, representatives,

agents, contractors and licensees (for the purposes of this Clause 16.4.1.2, each an "**indemnified party**") from and against all costs, losses, damages, claims, liabilities and/or expenses of any kind in respect of any costs, losses, damages, claims, liabilities and/or expenses of any kind incurred or suffered by the Seller and its directors, officers, employees, representatives, agents, contractors and licensees (for the purposes of this Clause 16.4.1.2, each a "**Seller party**") in respect of any loss of or damage to property of such Seller parties (whether owned, hired or leased by it) or death, illness or injury to any such Seller parties who are natural persons caused by, or arising from or in connection with the performance of this Agreement (including negligence), except to the extent that any such costs, losses, damages, claims, liabilities and/or expenses of any kind are caused by, or arise from or in connection with the Gross Negligence or Wilful Misconduct of such indemnified party.

#### 16.4.2 Third Party Property Damage and Personal Injury

16.4.2.1 The Buyer shall indemnify, defend and hold harmless the Seller and each of its directors, officers, employees, representatives, agents, contractors or licensees (for the purposes of this Clause 16.4.2.1, each an "**indemnified party**") from and against all costs, losses, damages, claims, liabilities and/or expenses of any kind incurred or suffered by such indemnified parties in respect of any loss of or damage to property of any third party or death or injury to any third party who is a natural person to the extent caused by the Buyer and/or its directors, officers, employees, representatives, agents, contractors and licensees and arising out of or in relation to this Agreement (including negligence).

16.4.2.2 The Seller shall indemnify, defend and hold harmless the Buyer and its directors, officers, employees, representatives, agents, contractors or licensees (for the purposes of this Clause 16.4.2.2, each an "**indemnified party**") from and against all costs, losses, damages, claims, liabilities and/or expenses of any kind incurred or suffered by such indemnified parties in respect of any loss of or damage to property of any third party or death or injury to any third party who is a natural person to the extent caused by the Seller and/or its directors, officers, employees, representatives, agents, contractors and licensees and arising out of or in relation to this Agreement (including negligence).

16.4.3 The indemnities given under this Clause 16.4 shall apply regardless of cause and notwithstanding any negligence, breach of duty or other failure of any nature of the indemnified Party or any other third party or Party and shall apply irrespective of any claim in contract, tort, or otherwise at law.

16.4.4 For purposes of this Clause 16.4, the term "**third party**" shall mean any Person not falling within the definitions of indemnified party in Clauses 15.4.1 and 15.4.2.

## 17 INSURANCE

### 17.1 Buyer's Insurance Obligations

The Buyer shall, on and from [*insert*], take out and maintain in full force and effect (at its cost) insurance policies in respect of the Buyer's Facilities and the Facilities of

Common Use [including accident, public liability and business interruption policies] with Reputable Insurers in such amounts, on such terms, against such risks and with such deductibles as is reasonably prudent in accordance with good international petroleum practice and ("**Buyer's Insurance Policies**").

## **18 TERMINATION**

### **18.1 Termination by Buyer**

This Agreement may be terminated by Buyer at any time after the Effective Date on ninety (90) Days' written notice to Seller:

18.1.1 If an Insolvency Event occurs in respect of Seller;

18.1.2 In accordance with Clause 3.5.1;

18.1.3 for Seller's failure (except when such failure is due to Force Majeure) to deliver any Natural Gas for a continuous period of ... [ ], unless within thirty (30) Days after such notice Seller starts or resumes (as applicable) delivery of Natural Gas in accordance with this Agreement;

18.1.4 In the event of any prolonged Force Majeure event pursuant to Clause [...].

### **18.2 Termination by Seller**

This Agreement may be terminated by Seller at any time after the Effective Date on [ninety (90)] Days' written notice to Buyer:

18.2.1 If an Insolvency Event occurs in respect of Buyer;

18.2.2 For Buyer's failure to open the LOC in accordance with Clause ..., unless the Buyer opens the LOC during the [ninety 90] Days notice period;

18.2.3 For Buyer's failure to properly maintain the LOC in accordance with Clause ..., unless the Buyer re-establishes and maintains the LOC during the [ninety 90] Days notice period;

18.2.4 For Buyer's failure (except when such failure is due to Force Majeure) to take more than ... [ ] of the aggregate DCQs made available by the Seller during a continuous period of more than ... [ ];

18.2.5 In the event of any prolonged Force Majeure event pursuant to Clause ....

### **18.3 Survival of Provisions**

Expiry or termination of this Agreement shall not affect the provisions of Clauses ....

### **18.4 No Prejudice to Claim**

The expiry or termination of this Agreement shall be without prejudice to any claim that any Party may have against the other Party arising out of events or circumstances prior to such termination.

### **18.5 Effect of Termination**

Save for any rights which have accrued to either Party prior to the Termination Date and for liability for any breach of any obligation occurring prior to the Termination Date and save as is otherwise expressly set out in this Agreement, the rights and obligations of the Parties shall come to an end on the Termination Date.

#### **18.6 Exclusive Remedy**

Neither Party shall be entitled to claim for any loss or damages arising as a result of the termination of this Agreement (including as a result of repudiation), except as otherwise provided in Schedule 10.

### **19 CONFIDENTIALITY**

Subject to Clause ..., each of the Parties shall, and shall ensure that their respective employees, advisers, consultants and agents shall, keep the terms and conditions of this Agreement and all information (in writing or any other form) provided pursuant to this Agreement as confidential (the “**Confidential Information**”) and shall not disclose any such information without the prior written consent of the other Party.

The Confidential Information shall remain the property of the disclosing party and the disclosing party may demand the return thereof anytime upon the provision of notice to the receiving party. Within thirty (30) Days of the receipt of such notice the receiving party shall return the Confidential Information and shall destroy and or erase all copies and or reproduction (both written and electronic) in its possession and/or in the possession of the persons to whom it was disclosed pursuant to this Clause.

#### **19.1 Excluded Information**

Confidential Information shall not include any such information and data which is disclosed by a Party, acting as disclosing party, to the other Party, acting as receiving party, if:

Such receiving party is able to show that it had knowledge, and unrestricted right to the use, of such information prior to the date on which it received it from the disclosing party or any of its Affiliates;

Such information has entered the public domain through no fault of the receiving party, its Affiliates or representative; or

Such receiving party is able to show that it received such information from a Third Party, which was authorized to disclose such information, or from a Third Party which was not so authorized but which disclosed it in such a manner that such receiving party reasonably believed that such Third Party was so authorized.

#### **19.2 Required Disclosure**

Notwithstanding anything to the contrary in this Agreement, each Party shall have the right to communicate Confidential Information without the prior written consent of the other Party as follows:



- 19.2.1 to directors, employees or Affiliates of either Party on the basis of need to know, provided that they are required by that Party to treat the information disclosed as confidential on substantially the same terms as are provided in this Clause 18;
- 19.2.2 to persons professionally engaged by either Party, including the Contractor, consultants, agents and advisers on the basis of need to know, provided that they are required by that Party to treat the information disclosed as confidential on substantially the same terms as provided in this Clause 19 and subject to execution of a similar confidentiality undertaking;
- 19.2.3 To potential transferees of all or part of its participating interest in ....., subject to execution of a similar confidentiality undertaking.
- 19.2.4 To banks or other financial institutions consulted in order to obtain financing of any of its obligations under this Agreement, the Service Contract, subject to a similar confidentiality undertaking;
- 19.2.5 when a Party is required to do so by order of any competent authority or the regulations of a stock exchange on which it or its parent company is listed, provided that such Party use all reasonable endeavours to notify the other Party in advance of such disclosure (failing which it shall advise in writing the other Party immediately thereafter), and provided further that such Party shall disclose, or seek the disclosure by its Affiliate or representative of, only that portion of such information as is legally required to be disclosed ;
- 19.2.6 When a Party is required to do so under applicable laws or by order of any Government Agency or department having jurisdiction over that Party;
- 19.2.7 For the purposes of any judicial proceedings or arbitration; or
- 19.2.8 To the Expert and/or Expert Panel.

Where the circumstances referred to here above apply, the Party subject to either such requirement shall, where reasonably practicable, give the other Party prior notice of the applicable requirements and shall consult with the other Party as to the nature and the form of the required disclosure.

### **19.3 Public Announcements**

- 19.3.1 No public announcement or statement regarding the Confidential Information shall be issued or made without the prior consent of both Parties (such consent not to be unreasonably withheld or delayed).
- 19.3.2 Nothing in this Clause 19 shall prohibit either Party from issuing or making any such public announcement or statement if it is necessary to do so in order to comply with any applicable law or the regulations of any recognised stock exchange upon which the share capital of that Party or any Affiliate of that Party is from time to time listed or dealt in, and provided further that such Party shall prior to any public announcement or statement, use all reasonable endeavours to notify the other Party in

advance of such disclosure (failing which it shall advise in writing the other Party immediately thereafter).

#### **19.4 Survival:**

The provisions of this Clause shall remain binding upon the Parties during the term of this Agreement and for a period of five (5) Years after its termination.

## **20 GOVERNING LAW**

This Agreement shall be governed and construed in accordance with the laws of the Islamic Republic of Iran.

## **21 DISPUTE RESOLUTION**

### **21.1 Disputes**

Any dispute, controversy or claim ("**Dispute**") arising out of or in relation to this Agreement, including the validity, invalidity, breach or termination thereof shall be resolved in accordance with the procedure in this Clause 21.

### **21.2 Negotiations**

21.2.1 The Party raising any Dispute shall first serve written notification of the Dispute to the other Party (a "**Dispute Notice**").

21.2.2 Within 30 days of the service of a Dispute Notice one director or other senior representative of each Party shall meet to seek to resolve the Dispute promptly, equitably and in good faith.

21.2.3 If within 30 Days of service of the Dispute Notice no meeting has taken place or the Dispute has not been resolved pursuant to Clause 21.2.2, a Party shall be entitled to refer the Dispute to be resolved:

21.2.3.1 by an Expert in accordance with Clause 22 if the Dispute is a Technical Dispute; and

21.2.3.2 by submission to arbitration in accordance with Clause 21.3 if the Dispute is not a Technical Dispute.

21.2.4 A "**Technical Dispute**" is a Dispute arising out of or in relation to Clauses ... of this Agreement.

### **21.3 Arbitration**

21.3.1 Any Dispute to which this Clause 21.3 applies in accordance with Clause 20.2.3, including any question regarding the existence, validity or termination of this Agreement, shall be referred to and finally resolved in accordance with the following Procedure:

21.3.2 The Party commencing arbitration (the "*Claimant*") shall serve a written notice on the other Party (the "*Respondent*") which shall include:

21.3.2.1 A brief statement of the nature of the dispute, and the relief claimed;

- 21.3.2.2 The full name and address of the arbitrator appointed by the Claimant pursuant to Clause 21.3.4 below;
- 21.3.3 Within 30 (thirty) Days of receiving the Claimant's arbitration notice, the Respondent shall serve a written notice containing:
- 21.3.3.1 A confirmation or denial of all or part of the Claimant's claim;
- 21.3.3.2 A brief statement of the nature of any counterclaim;
- 21.3.3.3 The full name and address of the arbitrator appointed by the Respondent pursuant to paragraph 4 below;
- 21.3.4 The place of Arbitration shall be Tehran, Islamic Republic of Iran.
- 21.3.5 The arbitral tribunal shall be composed of a panel of three (3) arbitrators appointed as follows:
- 21.3.5.1 One (1) arbitrator shall be appointed by each Party, and the two (2) arbitrators so appointed shall appoint the third arbitrator, who shall be the chairman of the arbitral tribunal;
- 21.3.5.2 if any Party fails to appoint an arbitrator within thirty (30) Days of the Claimant's notice under paragraph 1, or the two arbitrators appointed fail to appoint the third arbitrator within fourteen (14) Days of their appointment, such arbitrator(s) shall, at the request of any Party, be appointed by the President of "Tehran Regional Arbitration Centre" (TRAC), in accordance with the TRAC rules of arbitration;
- 21.3.5.3 The third arbitrator appointed pursuant to paragraphs 4(a) or (b) above shall be from a neutral country other than those of which the Parties (or their ultimate parent companies) are national;
- 21.3.5.4 each of the arbitrators shall be independent, and shall not be an employee, consultant, officer, representative, or agent of any Party (or of an Affiliate thereof), and he shall not have an interest (financial or otherwise) which conflicts or may conflict with such arbitrator's impartiality in respect of any of the Parties;
- 21.3.5.5 a Party who intends to challenge any of the arbitrators shall send written notice of his challenge (with reasons for the challenge) to the other Party, as well as to such arbitrator and the other members of the arbitral tribunal within 30 (thirty) Days after the appointment of the challenged arbitrator has been notified to the challenging Party, or within 30 (thirty) Days after the circumstance giving rise to the challenge becoming known to that Party (whichever earlier);
- 21.3.5.6 if the challenge is not accepted by the challenged arbitrator or by the other Party whose arbitrator has been challenged, the Parties agree that a final decision on the challenge will, at the request of the challenging Party, be made by the "President of Tehran Regional Arbitration Center" (TRAC) within 30 (thirty) Days;
- 21.3.5.7 should a vacancy arise because any arbitrator dies, resigns, fails to act, refuses to act, is successfully challenged, or becomes incapable of performing his

functions, the vacancy shall be filled using the same method by which such arbitrator was originally appointed; and

21.3.5.8 When a vacancy is filled, the newly established arbitral tribunal shall, in its discretion, determine whether any prior hearing shall be repeated.

21.3.6 No later than 30 (thirty) Days after the arbitral tribunal has been established in accordance with Clause 21.3.5 above, the Claimant shall deliver to the Respondent (with a copy to each arbitrator) a written statement of his case, containing particulars of his claims and submissions in support thereof, together with copies of any documents relied upon.

21.3.7 Within 60 (sixty) Days from the receipt of the Claimant's statement of his case, unless the Parties otherwise agree in writing, the Respondent shall deliver to the Claimant (with a copy to each arbitrator) a statement of defense, together with particulars of any counterclaims and copies of any documents relied upon.

21.3.8 Within 60 (sixty) Days from the receipt by the Claimant of any statement of counterclaim by the Respondent, unless the Parties otherwise agree in writing, the Claimant shall deliver to the Respondent (with a copy to each arbitrator) a reply to the counterclaim, together with copies of any additional documents relied upon.

21.3.9 The following procedural rules, *inter alia*, shall in any event be taken as agreed between the Parties;

21.3.9.1 The language of the arbitration shall be English;

21.3.9.2 With respect to jurisdictional objections, the arbitral tribunal shall hold a hearing not later than 60 (sixty) Days after the arbitral tribunal has been established, and make a preliminary award in relation to such issue not later than 60 (sixty) Days after such hearing;

21.3.9.3 with respect to other preliminary issues, the arbitral tribunal may, in its discretion, hold a hearing and make an award in relation to any such issue at the request of any Party (in writing) , and shall do so at the joint request of the Parties (in writing);

21.3.9.4 The arbitral tribunal shall hold a hearing or hearings in order to determine substantive issues, unless the Parties otherwise agree in writing;

21.3.9.5 All hearings shall be held in private

21.3.9.6 The arbitral tribunal shall issue its final award within 90 (ninety) Days of the last hearing of the substantive issues in dispute, unless the Parties otherwise agree in writing;

21.3.9.7 Any award or procedural decision of the arbitral tribunal shall be made by a majority of the arbitrators;

21.3.9.8 all awards and procedural decisions shall be in writing, final and binding on the Parties and each Party hereby waives any claim or appeal whatsoever against it, or any defense against its enforcement against such party, other than where provided by statutory provisions of the seat of arbitration and/or country

where enforcement of award is sought.

21.3.9.9 All awards shall state the reasons on which it is based, unless the Parties agree in writing that no reasons are to be given;

21.3.9.10 Each Party shall be responsible for its own costs (of) the arbitration; and

21.3.9.11 The costs of the arbitral tribunal shall be borne equally by the Parties.

21.3.10 The Parties shall decide on other procedural arbitration rules, including extension of the time limits hereunder, whenever and to the extent they deem it necessary from time to time, by mutual agreement in writing. In the case of disagreement or a gap in the procedural arbitration rules, however, the arbitral tribunal shall determine appropriate procedures, according to the rules of arbitration of "Tehran Regional Arbitration centre".

#### **21.4 Availability of Remedies for Breach of Confidentiality**

Without prejudice to any other rights or remedies that the Parties may have, the Parties acknowledge and agree that damages alone would not be an adequate remedy for any breach by them of provisions of Clause 19 of this Agreement and that the remedies of injunction and specific performance as well as any other equitable relief for any threatened or actual breach of provisions of Clause 19 of this Agreement by any Party would be more appropriate remedies and that no proof of special damages shall be necessary for the enforcement of the provisions in Clause 19 of this Agreement. Such remedies and such relief shall be cumulative and not exclusive and shall be in addition to any other remedies and relief which the Parties may have.

#### **21.5 Commercial Transaction**

21.5.1 To the extent that any Party or any of their respective properties may in any state or jurisdiction claim or benefit from any immunity (whether characterised as state immunity, sovereign immunity, act of state or otherwise) from jurisdiction, suit, action, service, execution, attachment, set off, provisional measures or orders, or other legal process (whether in aid of execution, before award or judgment or otherwise), or to the extent that there may be attributed to any such Person or any of its properties any such immunity (whether or not claimed), such Person hereby agrees, to the extent permitted by applicable law, not to claim, invoke or permit to be invoked on its or its properties' behalf or for its or its properties' benefit, and hereby waives, any such immunity.

21.5.2 Each of the Parties acknowledges that all of the transactions and actions contemplated and effected by this Agreement are private commercial transactions.

## **22 EXPERT**

22.1.1 Whenever this Agreement expressly requires a Technical Dispute to be referred to an Expert for resolution, and such Dispute is not resolved by negotiations in accordance with Clause ..., then such dispute shall be referred to an Expert in

accordance with the Expert Procedure in Schedule [ ].

**23 ASSIGNMENT**

23.1.1 Neither Party may assign or novate its rights or obligations under this Agreement to a Third Party without the prior written consent of the other Party, provided that such written consent is not required in the case of an assignment by the Buyer to a wholly owned Affiliate or by the Seller in the case of an assignment to any Affiliate and the assignor remains with the assignee jointly and severally liable and responsible for the performance of its obligations under this Agreement.

**24 NOTICES**

**24.1 Notice to be in Writing**

24.1.1 All notices, consents, requests, statements, invoices (if not specified otherwise) or notifications authorised or required to be given by one Party to another under this Agreement ("**notice**") shall be in writing.

24.1.2 All notices to be given by a Party to another pursuant to this Agreement shall be written in the English language, and delivered by hand, courier, facsimile transmission, electronic mail (email) or pre-paid registered post. Such notices shall be deemed to be duly given or made when delivered (in the case of a letter) or when received (in the case of a facsimile or an email, provided always that the relevant confirmation of receipt has been received; if not received within twenty four (24) hours, the notifying Party will have to confirm such notification by courier, notice delivered by hand or pre-paid registered post) at the applicable notice address set out below:

Seller

Address:

Facsimile Number:

Email address:

For the attention of:

Buyer

Address:

Facsimile Number:

Email address:

For the attention of:

**24.2 Receipt of notice**

24.2.1 Notices shall be deemed to have been received:

24.2.1.1 In the case of delivery by hand, when delivered; or

24.2.1.2 In the case of facsimile, on acknowledgement of the addressee's facsimile receiving equipment (where such acknowledgement occurs before 1700 hours on the Day of acknowledgement) and in any other case on the Day following the Day of acknowledgement.

24.2.2 Any notice or other communication not received on a Business Day or received after 17:00 hours local time on any Business Day in the place of receipt shall be deemed to be received on the next following Business Day.

### **24.3 Change of address**

24.3.1 Either Party may change its address for the receipt of notices or other contact details at any time and from time to time by giving a seven (7) Days prior notice of the change to the other Party in accordance with the provisions of this Clause 24.

## **25 STATUS OF THE PARTIES**

### **25.1 No Partnership**

25.1.1 Nothing in this Agreement or in any document referred to in it or any arrangement contemplated by it shall be deemed or construed to create a partnership, joint venture, association or trust, or constitute either of the Parties a partner of the other, nor shall the execution, completion and implementation of this Agreement confer on any Party any power to bind or impose any obligations to any third parties on the other Party or to pledge the credit of the other Party.

### **25.2 Competing Businesses**

25.2.1 Notwithstanding anything to the contrary contained in or inferable from the provisions of this Agreement, it is expressly understood and agreed that each Party, their shareholders and their Affiliates may continue and commence independent businesses including those which compete with or are similar to the businesses of the other Party or their shareholders or Affiliates in Iran or anywhere else in the world.

25.2.2 No Party, its shareholders or any of its Affiliates is restricted from continuing or commencing any such business in any fashion and the continuance or commencement of any such business by any such Person shall not give rise to any claim for an accounting by the other Party, its shareholders or any of its Affiliates or any right to claim any interest therein or the profits there from.

25.2.3 Such competition or conflicts of interest are hereby recognised and accepted by the Parties, and each Party hereby waives any and all rights, remedies and recourse which might otherwise be available to it by virtue of same.

## **26 MISCELLANEOUS**

### **26.1 Variation and Waiver**

#### 26.1.1 Variation

26.1.1.1 No variation of this Agreement (or any document referred to in it) shall be effective unless it is in writing (which for this purpose does not include email) signed by or on behalf of each of the Parties to this Agreement. The expression "variation" includes any variation, supplement, deletion or replacement, however effected.

#### 26.1.2 Waiver

26.1.2.1 The rights and remedies of the Parties shall not be affected by any failure to exercise or delay in exercising any right or remedy or by the giving of any indulgence by any other Party or by anything whatsoever except a specific waiver or release in writing signed by the Party or Parties granting or consenting to such waiver, and any such waiver or release shall not prejudice or affect any other rights or remedies of the Parties. No single or partial exercise of any right or remedy shall prevent any further or other exercise thereof or the exercise of any other right or remedy.

### 26.2 Expenses

26.2.1 Each Party shall bear its own in-house and third party costs and expenses incurred in connection with the preparation, execution or delivery of this Agreement.

### 26.3 Severance/Unenforceable Provisions

26.3.1 If any one or more of the provisions of this Agreement shall be invalid, void, illegal, or unenforceable in any respect by operation of law or otherwise, the Parties will negotiate in good faith with a view to agreeing one or more provisions which may be substituted for such invalid, void, illegal or unenforceable provisions which substitute provisions that, as nearly as practicable in all the circumstances produce, so far as is practicable, the overall balance of risks, rights and obligations between the Parties that existed at the date of this Agreement. The remaining provisions shall continue in full force and effect.

### 26.4 Counterparts

26.4.1 This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be an original, but all the counterparts shall together constitute one and the same instrument.

### 26.5 Currency Conversion

26.5.1 In the translation or conversion of currencies it is the intent of the Parties that none of the Parties shall experience an exchange gain or loss at the expense of, or to the benefit of the other Parties.

### 26.6 Further Assurances

26.6.1 The Parties shall at all times do all such further acts and execute and deliver such further deeds and documents as shall be reasonably required in order to perform and carry out the provisions of this Agreement.



## **26.7 Entire Agreement**

26.7.1 Each of the Parties confirms that this Agreement (which term shall be deemed to include the Schedules hereto and the other certificates, documents and instruments delivered hereunder) represents the entire understanding, and constitutes the whole agreement of the Parties hereto in relation to its subject matter and supersedes any previous agreement between the Parties with respect thereto and, without prejudice to the generality of the foregoing, excludes any warranty, condition or other undertaking implied at law or by custom, usage or course of dealing.

26.7.2 Each Party confirms that:

26.7.2.1 in entering into this Agreement it has not relied on any representation, warranty, assurance, covenant, indemnity, undertaking or commitment which is not expressly set out or referred to in this Agreement, the Schedules hereto, or the other certificates, documents and instruments delivered hereunder; and

26.7.2.2 in any event, the only rights or remedies in relation to any representation, warranty, assurance, covenant, indemnity, undertaking or commitment given or action taken in connection with this Agreement, the Schedules hereto or the other certificates, documents and instruments delivered hereunder, are pursuant to this Agreement (or such Schedules, certificates, documents or instruments), and for the avoidance of doubt and without limitation, no Party has any other right or remedy (whether by way of a claim for contribution or otherwise) in tort (including negligence) or for misrepresentation (whether negligent or otherwise, and whether made prior to, and/or in, this Agreement).

**IN WITNESS WHEREOF**, the Parties hereto have caused this Agreement to be duly executed by their respective proper officers as of the day and year first written above.

SIGNED FOR AND ON BEHALF OF  
NATIONAL IRANIAN OIL COMPANY

SIGNED FOR AND ON BEHALF OF

....

draft only